



CITY OF  
**UMHLATHUZE**  
VISION INTO ACTION



# ANNUAL REPORT

2015 - 2016







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# MAYOR'S FOREWORD



**CLLR MG MHLONGO**  
MAYOR, CITY OF uMHLATHUZE

## INTRODUCTION

A good government is one that exercises maximum and inclusive participation of all stakeholders and holds dear the principle of transparency and accountability. These are the hallmarks of a caring and responsible government as envisaged by the Freedom Charter and the Constitution of the Republic of South Africa.

Council has been able to oversee a smooth transition as the year 2016 was election year. The gains made by the 2011-2016 Council have laid a solid foundation for the direction that the municipality ought to take moving forward with specific focus on Radical Economic Transformation, Youth Empowerment, Women Empowerment, Rural Development and Service Excellence.

The municipality will see an additional growth in citizenship as a result of the new determination of boundaries by the Demarcation Board that will see the end of Ntambanana Municipality and the adding of four (4) new wards to the City of uMhlathuze. This will create a new and exciting challenge for Council to be able to change the lives of the new communities that will join it due to existing service delivery backlogs.

It is vitally important that Council is able to lead with truthfulness and vigour in order to be able to self-critique where it falls short and come up with solutions. Though still very far from the intended achievement, the communities are still suffering from historical injustices, and with 2016 declared as the year for the advancement of peoples power in every community, Council is striving to roll back the injustices of the past and ensure that all citizens are well equipped for the fight against poverty, inequality and unemployment.

## SERVICE DELIVERY

### Water, Electricity and Sanitation

The basic level for the provision of water is communal supply less than 200 metres from a household. A total of 957 households were upgraded to yard-taps in 2015/2016 resulting in 98.17% of the total number of households being provided with water at the end of the financial year.

The challenge that needs to be dealt with is the constant supply of water with fewer interruptions; therefore, funding is required for future upgrades that will also include the wards coming from Ntambanana which have to be included in the water reticulation network of uMhlathuze.

During the period under review, the City of uMhlathuze continued to invest in electricity infrastructure, including strategic investment in energy infrastructure to support industrialisation. This investment included replacement of ageing cables, creation of additional energy generating capacity as part of the energy-mix for current and future demand.

Over the past few years the City has spent more than R200 million in new and upgrading of existing electricity infrastructure to enhance security of supply. The City is providing domestic electricity supply to 100% (34 140 households) of the municipal electricity licenced area and connected 166 additional households from in-fills to the electricity network during the 2015/2016 financial year.



Over the past 5 years, Council has aimed to always ensure that human dignity is restored and maintained, by building dignified VIP toilets for households to ensure better sanitation in rural areas. The basic (RDP) level for domestic sanitation is one VIP toilet per household. A total of 2 904 additional VIP toilets were constructed during the 2015/2016 financial year resulting in 88.10% of the total number of households provided with basic sanitation service at the end of the financial year.

## Housing Projects

The City of uMhlathuze has a Level 1 and Level 2 Housing Accreditation and as such the municipality is allowed to do beneficiary management, subsidy budget planning and allocation, priority programme management and administration.

To this end, during the 2015/2016 financial year a total of 1 966 low cost housing units were constructed in rural areas. The following sustainable human settlements ground breaking projects are currently underway and at various stages of implementation:

### (a) Aquadene Superblock Housing project

The contractor is already on site for bulk sewer and water infrastructure. The envisaged completion is as follows: Bulk Water – Oct 2016 and Bulk Sewer – Jan 2017. The next phase before the construction of houses can commence, is the reticulation, storm-water and internal roads construction. Once completed, this project will yield approximately 1800 housing units. (600 RDP housing units and 1200 Community Residential Units (CRU)).

### (b) Dumisani Makhaye (Phase 6 and 8)

Planning has started and the necessary statutory processes are being attended to currently. Once completed, this project will yield 1200 housing units. (130 RDP housing units, 80 Financial Link Individual Subsidy units and the rest will be social housing units.

### (c) Esikhaleni-Vulindlela Expansion Corridor

The Feasibility study processes have already started.

### (d) Empangeni Mega Housing Project

Land for the Empangeni Mega Housing Project has been acquired and transferred to the municipality. The layout plan has been approved by Council. Planning for bulk infrastructure services rollout will commence in due course. The City has already invested R80 million in this project. Once completed, this project will yield 10 000 housing units. (4 000 RDP housing units, 2 000 Bonded housing units, 2 000 Financial Link Individual Subsidy housing units and 2 000 Social Housing units). The estimated total budget for this project is R3.9 billion and this will be the biggest investment in sustainable human settlements to date.

It is also important to highlight that the City is the proud recipient of the Goven Mbeki Human Settlements Award for the Best Performing Municipality for the past four (4) years in a row.

## Roads

Council committed to City wide road rehabilitation projects that saw the reconstruction of major roads, gravelling of 59.2 kilometres and rehabilitation of 6.9 kilometres tarred access roads in the 2015/2016 financial year. The roads rehabilitation projects will cost the municipality an amount of R27 million to complete. The road construction programme also focuses on upgrading of the Esikhaleni interchange expansion project and tarring of Mandlazini Road.

## Economic Transformation

In the 2015/16 financial year the City, working together with its partners, developed a Blueprint for Economic Development, Transformation and Job Creation that will be an anchor strategy to guide and channel job intensive and inclusive economic growth interventions in an integrated and coherent manner. The following strategic sectors have been prioritised as key to accelerated economic growth and are aligned to the RBIDZ strategic focus areas and other industries:

- Manufacturing & logistics
- Agriculture and Agro processing
- Maritime & blue economy – with specific focus on oceans economy
- Tourism
- Wholesale, retail, trade and services
- Mining and beneficiation
- Township economy
- Construction and built environment
- ICT

Accordingly, the above sectors will be the cornerstone of propelling the economy of the City to greater heights and help in job creation and mainstreaming of SMMEs.

The Department of Energy announced that a 2000 MW Liquefied Natural Gas Plant will be built in Richards Bay. It is Council's quest that as soon as possible, and working together with all stakeholders, that we should start accessing downstream and localisation opportunities so that local entrepreneurs can prepare themselves for this massive investment in our City.

As part of changing the current economic landscape, the City has identified strategic flagship projects that will add value to the quality of life and position the City as a destination of choice to live, work, play and invest. These strategic flagship projects are currently being implemented.

## EDUCATION AND TRAINING

The City of uMhlathuze has signed MOUs with institutions of higher learning focussing on developing skills that will be specific to the new developments that have been taking place around the City in sectors such as Maritime, Mining, Manufacturing and Agriculture.



Council has also committed to a program that seeks to assist young aspiring academics to access institutions of higher learning to ensure that they gain access to study and excel from within. Consequently, a total of 81 students of the City of uMhlatuze have been awarded registration fee assistance for tuition.

### **GOOD GOVERNANCE**

The City of uMhlatuze prides itself on good, clean governance as a recipient of a Clean Audit opinion from the Auditor General of South Africa 4 financial years in a row. Such accolades reflect a visionary leadership and good governance.

### **Conclusion**

It is not difficult to concede that a lot of work has been done by Council, but a number of challenges still remain. Through the old idiom, “Rome was not built in a day” we must find comfort in the fact that what we have already achieved will benefit many generations to come.

May God Bless Africa and our City.

Cllr Mduduzi Mhlongo

**MAYOR**

**City of uMhlatuze**







# MUNICIPAL MANAGER'S FOREWORD



**DR NJ SIBEKO**  
MUNICIPAL MANAGER, CITY OF UMHLATHUZE

This report is a reflection of the end of an important term for Council which was ushered within the 2011 elections. It is reflected in the previous report that this term started on a back foot with a deficit of about R168 million. therefore It became necessary that we embark on serious cost cutting measures without compromising service delivery. This was a very delicate balancing set but one is proud to say the municipality did very well.

Not only did we do well, we were recognised by CoGTA in the Municipal Excellence awards as the best performing municipality in provision of Basic Services. In fact, this term was characterised by a series of awards which illustrates the good performance of the municipality. These awards include:

- Most credible IDP – four years in a row
- Govan Mbeki Award Winner - 2015
- Govan Mbeki Award Category B (2 years National)
- Best Rural Housing Project
- Best Residential Units
- National 1<sup>st</sup> Runner up – Greenest Municipality Awards

The crowning moment was obtaining Clean Audit for three consecutive years. The municipality has been able to achieve these accolades because Councillors have been diligent in their oversight role and administration has been able to exercise its role as well. In this term the structures of governance functioned very well. The governance structure includes the following:

- Audit Committee
- Enterprise Risk Management Committee
- Performance steering committee
- Performance Audit Committee
- Municipal Public Account Committee (MPAC)
- ICT steering committee

One can safely say that all the pillars are in place to sustain uMhlathuze as a top performing municipality. Acclaimed writer Jim Collins said: "Good is the enemy of Great" and as an organisation it is important to ensure that we do not become complacent in being good- but rather take continuous steps to become great.

The new term will be one of economic growth, as we execute the Economic Roadmap which has been developed. I am confident in the quality of administration we have that such should be achieved with relative ease. It is in our DNA that we turn vision into action.

I also wish to convey my appreciation for the support I receive from my esteemed colleagues and honourable Councillors. I wish all Councillors the best of luck, including those who are outgoing and the new ones those who were voted back and I welcome the new one.

Ngiyabonga!

Dr NJ Sibeko  
**MUNICIPAL MANAGER**  
**City of uMhlathuze**







## **CHAPTER 1**

# **GOVERNANCE INTEGRATED DEVELOPMENT PLAN**

## Introduction and Background

The IDP entails processes through which a municipality, its constituencies, various sector departments, interested and affected parties come together to prepare clear objectives and strategies which serve to guide allocation and management of resources within the municipal area of jurisdiction. The Integrated Development Plan spans a five-year period which is directly linked to the term of its Council.

uMhlathuze Municipality implement its IDP to fulfil its role of “developmental local governance”. Central to this role are the objectives and strategies contained in the plan, which guides the municipality in the realm of: Municipal Budgeting and Institutional re-structuring in order to fulfil the strategic intent of the plan including integrating various sectors (housing, land use, etc.) with economic, social and environmental dimensions.

## Process Plan

The IDP review was compiled in terms of a process plan developed and adopted by Council to ensure compliance with certain quality standards and also to ensure that proper coordination between and within the spheres of government is established. Council approved the process plan for the 2015/2016 IDP review process on 28 October 2014 in terms of Council resolution number 9696 that set out the methods and approach according to which the IDP review process was to be conducted.

## 3<sup>rd</sup> Generation

Integrated Development Planning has evolved over the three generations of IDPs and to this end, the Department of Corporative Governance and Traditional Affairs (CoGTA) introduced the 3<sup>rd</sup> Generation IDP concept that made specific recommendations on outcome based approach which emphasises the following:

- That the municipality focuses on achieving the expected real improvements in the life of all its residents;
- that through the integrated development planning, municipality clarifies what the community expect to achieve, how they expect to achieve it and how will they know whether they are achieving it; and
- that the municipality improve the lives of citizens rather than just carrying out its functions.

uMhlathuze Municipality in collaboration with all relevant stakeholders adopted its 3<sup>rd</sup> Generation IDP for 2012-2017 in June 2012. The Municipal Systems Act (Act 32 of 2000 as amended) does however require municipalities in South Africa to review their IDP's on an annual basis in order to keep track and remain relevant to the ever changing needs and dynamics in communities.

The priorities and actions identified in the 2012/2017 IDP and 2015/2016 IDP review informed the structure of uMhlathuze Municipality, service delivery standards, all financial planning and budgeting as well as performance reporting by the municipality. In relation to the illustration below of the evolution of IDP's over a 5 year period this process can be described as the 3<sup>rd</sup> Review of the 3<sup>rd</sup> Generation IDP of the uMhlathuze Municipality.

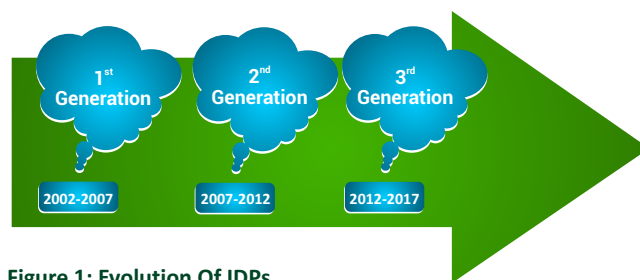


Figure 1: Evolution Of IDPs

Development of 2015/2016 IDP was merely a review of the 3<sup>rd</sup> Generation IDP and did not attempt to rewrite the five year plan but mostly focussed on assessing and reporting on the strategic objectives and targets set in the 5 year plan. Figure below indicate the evolution of the 3<sup>rd</sup> IDP Generation review process:

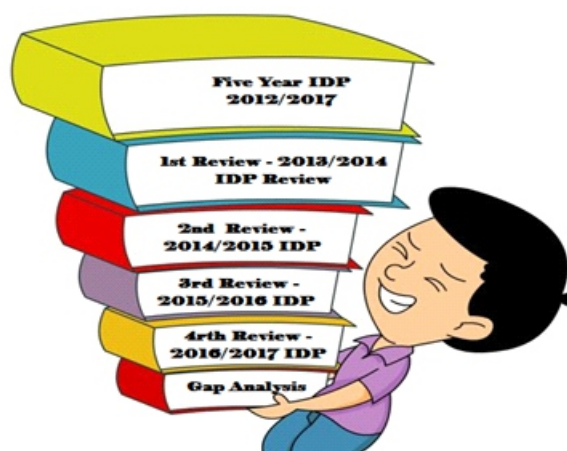


Figure 2 : 3<sup>rd</sup> Generation IDP Review Process

## Alignment with Government Imperatives

The 2015/2016 IDP Review of uMhlathuze is developed on the premise of outcome based approach, which means that the strategic framework of uMhlathuze Municipality is aligned with all government policies and priorities, including but not limited to the National Development Plan, the Provincial Growth and Development Plan and the uThungulu Growth and Development Plan. Further to the inclusion of sector department projects in uMhlathuze's 2015/2016 IDP is another trend that points toward improved vertical alignment between the different spheres of government, enabling the uMhlathuze Municipality to approach the development of its communities in an integrated and holistic manner.



uMhlathuze Municipality values the support and the spirit of cooperative governance which is attested by the contributions in the IDP process made by different spheres of government and all stakeholders of uMhlathuze in ensuring that this municipality continues to develop a credible IDP, which remains a single, strategic and inclusive plan that guides the whole of government's investment in a municipal space.

uMhlathuze Municipality prides itself for consistently being recognised and awarded by the Department of Corporative Governance and Tradition Affairs for remaining the best municipality in the entire province that produces a credible IDP. In the 2015/2016 IDP Review uMhlathuze's IDP was also deemed credible. This achievement is an indication of the ability and readiness of this organisation to deliver on its legislative and Constitutional mandates.

Another exciting trend that emerged during the IDP process, and is confirmed by National Treasury is that uMhlathuze Municipality fundamentally is aligning its budget with the priorities articulated in IDPs. This means that the organisation is increasingly becoming more responsive to the needs expressed by communities and that the strategic priorities identified in IDPs are aligned to community needs.

## IDP Roadshows

uMhlathuze Municipality does not plan for people; it plans with them. It is Council's commitment to constantly engage with all the people of the city. Hence the process plan makes provision for communities to participate throughout the review of the IDP. Below is the schedule of public meetings held during the development of the 2015/2016 IDP Review:



The Deputy Mayor, Cllr. NV Gumbi (Centre) receiving two awards from the MEC Corporative Governance and Traditional Affairs, Awards are Top IDP Achiever for 3 consecutive years, second Award being the Most Credible IDP in 2015/2016 within KZN Province.

**Table 1: IDP and Budget Public Participation Sessions held**

First Round: IDP Roadshows				
CLUSTER	WARDS	VENUE	DATE	TIME
Amakhosi		Richards Bay Civic Centre (Auditorium)	04 September 2014	11:00
1	Ward Committees	Richards Bay Civic Centre (Auditorium)	04 September 2014	17:00
2 & 3	Portion of 5, 6, 7, 8	eNseleni Community Hall	07 September 2014	14:00
6	Portion of 5, 9, 23, Portion of 24	Empangeni Amble Inn	11 September 2014	17:00
5	1, 2, 3, 4, 26	Richards Bay Civic Centre (Auditorium)	10 September 2014	17:00
4	10, 11, 30	Vulindlela Hall	14 September 2014	14:00
10 & 11	Portion of 24, 25, 27, 28, 29	Ngwelezane Community Hall	21 September 2014	14:00
9	18, 19, 20	Hlanganani Community Hall	28 September 2014	14:00
8	15, 16, 17, 21, 22	eSikhaleni FET (Hall)	05 October 2014	14:00
7	12, 13, 14	Madlankala Community Hall	19 October 2014	14:00
12	Stakeholders	Richards Bay Civic Centre (Auditorium)	08 October 2014	11:00
Second Round : Draft Budget and IDP Roadshows				
12	All Stakeholders	Stakeholders	08 April 2015	10:00
	Amakhosi	Richards Bay Civic Centre (Auditorium)	09 April 2015	10:00
1	Ward Committees	Richards Bay Civic Centre (Auditorium)	10 April 2015	17:00
10 & 11	24, 25, 27, 28, 29	Ngwelezane Community Hall	12 April 2015	14:00
6	9, 23, Portion 24	Dumisane Makhaye Village	15 April 2015	17:00
5	1, 2, 3, 4, 26	Mzingazi Community Hall	16 April 2015	17:00
7	12, 13, 14	Gobandlovu Community Hall	18 April 2015	14:00
4	10, 11, 30	Vulindlela Community Hall	19 April 2015	14:00
8	15, 16, 17, 21, 22	eSikhaleni College	25 April 2015	14:00
9	18, 19, 20	Port Dunford Community Hall	26 April 2015	14:00
2 & 3	5, 6, 7, & 8	KwaBhejane Community Hall	03 May 2015	14:00



Below is a list which is a summary of community issues raised during IDP and Budget Public meetings. These issues were considered to influence both the 2015/2016 IDP Review and 2015/2016 Medium Term Revenue and Expenditure Framework (MTREF) :

- Maintenance of Mandlazini Road
- Pedestrian bridges
- Pensioner gym equipment
- Water losses - community reporting issues - delays in resolving issues
- Bursary provision for children from uMhlathuze
- Delays in issuing Title Deeds
- Richards Bay SPCA Service Level Agreement
- Rural sports facilities
- Streetlights in high crime areas
- Improved communication with regards to water interruption, etc.
- High water tariff increases for high end users are a concern
- Sponsorship for agricultural projects
- Taxi ranks requisition
- Rebates for churches
- Multi-purpose centres to be fully utilised
- Electricity supply in Eskom supply areas
- Pensioner rebates
- Provision of halls and clinics
- Provision of community sportfields



**Figure 3: uMhlathuze Municipal officials during IDP roadshows**



**Figure 4: A 2000 seater marquee filled to its capacity by community members during one of the roadshows in Esikhaleni**



**Figure 5: Ward Committee members hard at work, assisting with registration and handling Information related queries during IDP roadshows**

## Legislative Compliance

All legislative requirements and timeframes in respect of the IDP Process Plan and in terms of the Municipal Systems Chapter 5 Section 32 (review & adoption) and submission of the 5 year IDP were successfully complied with, and the Final IDP for 2015/2016 was adopted by Council in May 2015.

## CHAPTER 2

## SERVICE DELIVERY PERFORMANCE

## ORGANISATIONAL PERFORMANCE MANAGEMENT SYSTEM

### 1. Legislative requirements

Outlined in Section 40 of the Municipal Systems Act of 2000 (MSA) Municipalities must establish mechanisms to monitor and review its Performance Management System (PMS) so as to measure, monitor, review, evaluate and improve performance at organisational, departmental and employee levels. Section 34 of the MSA furthermore point out that the Integrated Development Plan (IDP) has to be reviewed on an annual basis, and that during the IDP review process the Key Performance Areas, Key Performance Indicators and Performance Targets be reviewed and this review will form the basis for the review of the Organisational Performance Management and Performance Contracts of Senior Managers.

The Municipal Planning and Performance Management Regulations (2001) stipulates that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players" (Chapter 3, Section 7, Municipal Planning and Performance Management Regulations, 2001).

Section 46 of the Municipal Systems Act (Act 32 of 2000), stipulates the following:-

#### "Annual Performance Reports"

46. (1) A municipality must prepare for each financial year a performance report *reflecting* -
  - (a) the performance of the municipality and of each external service provider during that financial year;
  - (b) a comparison of the performances referred to in paragraph (a) with targets set for and performances in the previous financial year; and
  - (c) measures taken to improve performance.
- (2) **An annual performance report must form part of the municipality's annual report in terms of Chapter 12 of the Municipal Finance Management Act."**

### 2. Introduction

The first performance management framework was adopted by the uMhlathuze Municipality on 28 May 2002. The framework was reviewed and amended during 2012/2013 financial year to align with the best practice guidelines suggested by the then Department of Provincial and Local Government and Traditional Affairs of KwaZulu-Natal. The framework/policy was again reviewed in May 2015 to address the Auditor General finding that the municipality did not have documented and approved internal policies and procedures to address the process of collection, recording, processing, monitoring and reporting of performance information.

The Reviewed Performance Management Framework and Policy has been enhanced to include the National Treasury Communications Directive: Framework for Managing Programme Performance Information (FMPPI).

The Local Government Regulations on the appointment and conditions of employment of Senior Managers (Reg 21 of 17 January 2014) were also included in the reviewed framework, since it was promulgated after the adoption of the previous Performance Management Framework and Policy.

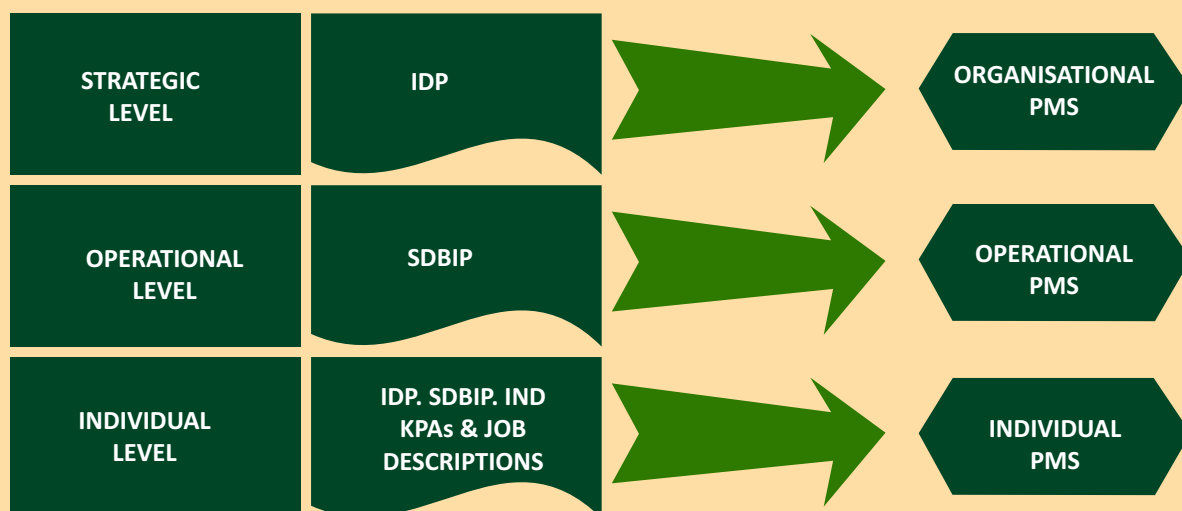
The approved and adopted Performance Management Framework/Policy has been adopted in June 2016, per item on RPT 160112 and framework/policy document on DMS 1122026 together with the newly established Standard Operating Procedure (DMS 1077198) to clarify the processes to collect, collate, verify and store of performance information and documents are available on Councils official website ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the "Performance Management" link).

The Organisational Performance Management function of uMhlathuze Municipality is delivered by an internal Performance Management Unit within the Office of the Municipal Manager under the direct supervision of the Chief Operations Officer. The Performance Management unit consists of two permanent employees, i.e. one post of Manager: Performance Management and one post of Performance Management Specialist.

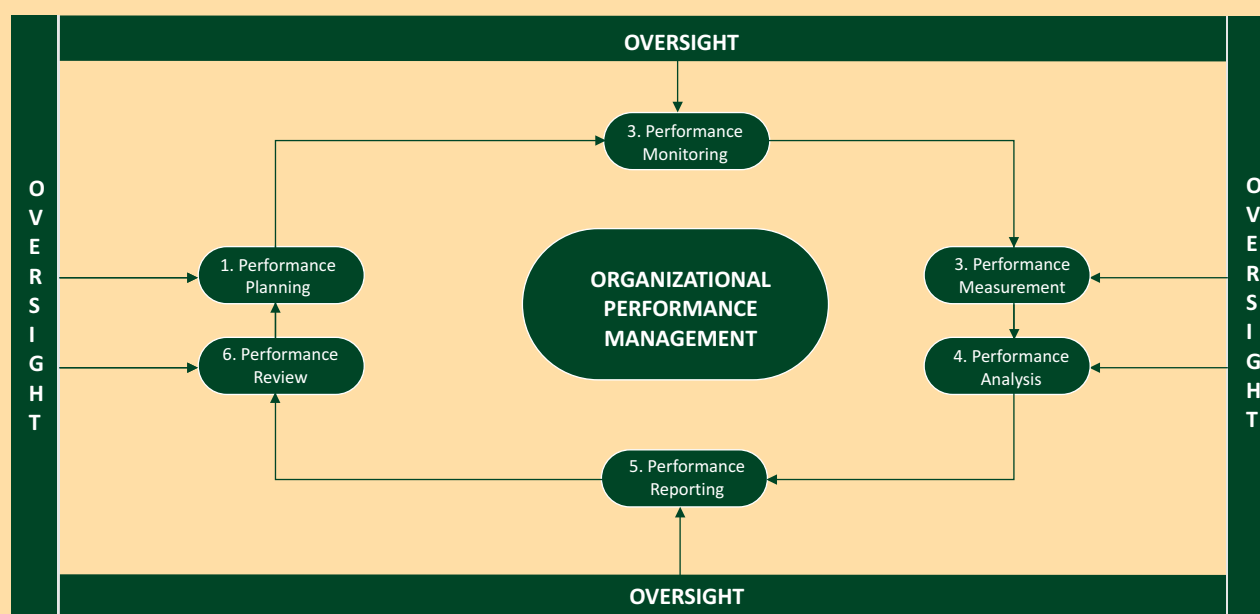
### 3. Organisational Performance Management Process

The legislative framework as set out above provides for performance management at various levels in a municipality including organisational (sometimes also referred to as municipal, corporate or strategic) level, operational (also referred to as services, departmental or section/team level) and lastly, at individual level as. These levels are however integrated and interdependent on each other.





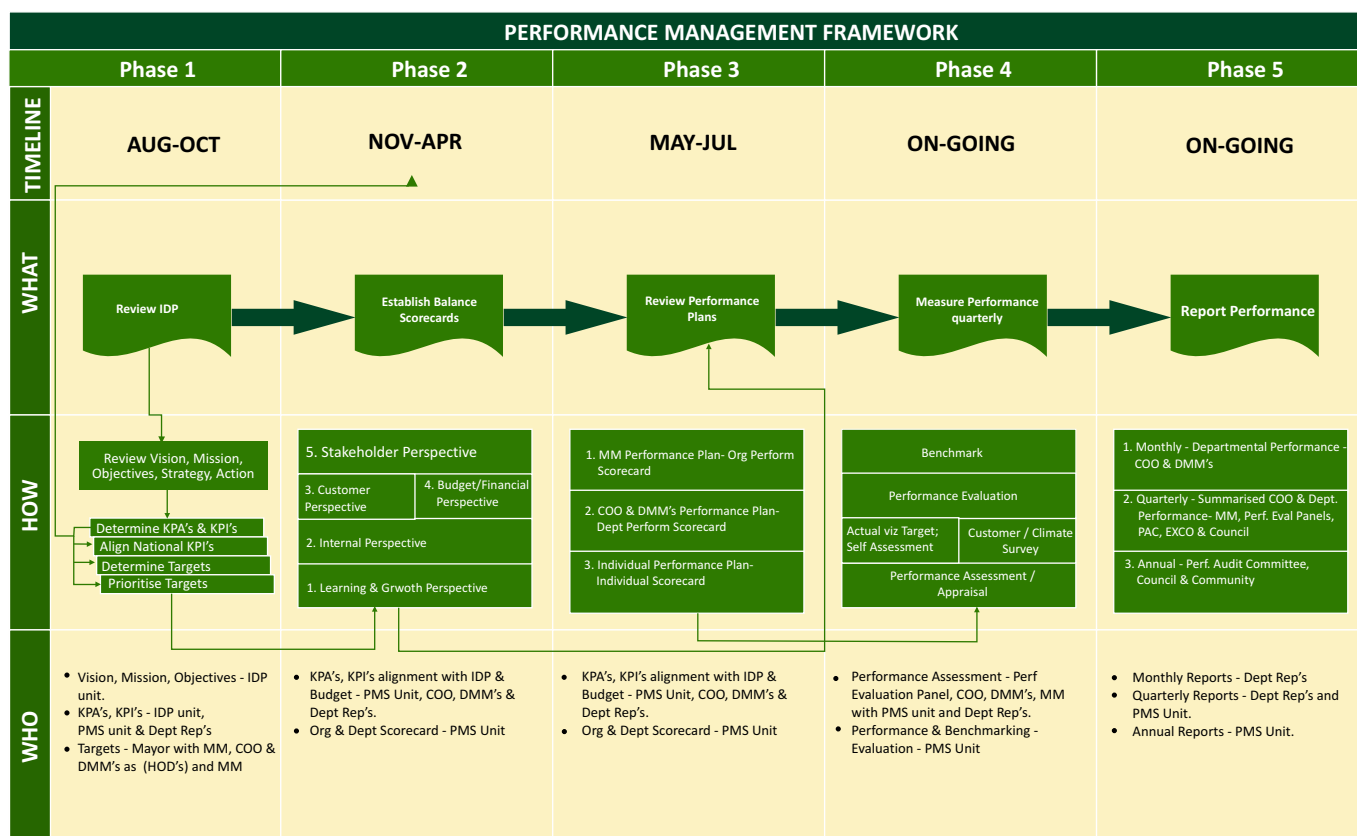
The process of managing performance at organisational level in the uMhlathuze Municipality involves the stages as set out in the following diagram:



Key performance indicators have been refined in support of the municipality's development priorities and objectives as set out in the revised IDP framework (aligned with the organizational structure and Council's priorities) for the five year IDP period to ensure consistency in measuring and reporting on long terms strategies and projects. Measurable performance targets with regard to each of these development priorities and objectives were established and are reflected on the 2015/2016 OPMS Scorecard. A process to ensure regular reporting is in place and gets reported quarterly to the Council via the Performance Audit Committee.

Individual performance agreements and performance plans were prepared in line with provisions prescribed in the Performance Regulations (Notice 805, published on 1 August 2006 in the official gazette) and signed by the Municipal Manager and Deputy Municipal Managers (Heads of Department). These agreements are fully implemented and aligned with the Service Delivery and Budget Implementation Plan as required in terms of the Municipal Finance Management Act (No 56 of 2003)

The following diagram illustrates a summary of the reviewed performance management framework for the City of uMhlathuze for performance measurement and reporting, adhering to the guidelines suggested by KwaZulu-Natal Province, Department for Cooperative Governance and Traditional Affairs:



uMhlathuze Performance Management Framework diagram

#### 4. Performance Audit Committee

The Performance Audit Committee established in 2003 in terms of of Section 14(2) (a) of the Local Government: Municipal Planning and Performance Management Regulations of 2001 and membership changed over time. The Performance Audit Committee for the 2015/2016 financial year was re-affirmed on 24 February 2016, by Council Resolution 10664 (Item on RPT 159661). The appointment of the following members will lapse at the end of January 2017 after the annual report is adopted by the Council:

- Ms M J Ndlovu – Chairperson (external member)
- Ms R de Waal (external member)
- Mr B S Ndaba (external member)
- Cllr M G Mhlongo (Mayor)
- Cllr N V Gumbi (Deputy Mayor)

The Performance Audit Committee is meeting on a quarterly basis for each financial to consider the reported quarterly performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan.

The Performance Audit Committee has met quarterly during the 2014/2015 financial year as follows:

Quarter 1	27 August 2014	RPT 156730	RPT 156816
Quarter 2	31 October 2014	RPT 157135	RPT 157136
Special	03 February 2015	RPT 157547	RPT 157548
Quarter 3	27 March 2015	RPT 157705	RPT 157707
Quarter 4	25 June 2015	RPT 158411	RPT 158412



The Draft Annual Performance was finally reviewed on 28 August 2015 to consider the reported annual performance achievements reported on the OPMS scorecard as well as the Performance Achievements reported in terms of the Service Delivery Budget Implementation Plan on the completed 2014/2015 financial year. The minutes of meetings are available on the GroupWise electronic document management system.

## 5. Performance Evaluation Panels

Performance Evaluation Panels have initially been established for the assessment of performance of the Municipal Manager as well as Managers directly accountable to the Municipal Manager per Council Resolution 4120 of 10 October 2006. The Performance Evaluation Panels were re-affirmed over time and subsequently again for the 2015/2016 financial year on 3 November 2015, by Council Resolution 10431 (Item on RPT 159161).

Performance Assessment Panels for the assessment of Section 57 employees were established as follows:

- a) For purposes of evaluating the annual performance of the municipal manager (section 54A), an evaluation panel constituting of the following persons was established
  - (i) Executive Mayor or Mayor;
  - (ii) Chairperson of the Performance Audit Committee;
  - (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council;
  - (iv) Mayor and/or Municipal Manager from another Municipality; and
  - (v) Member of a Ward Committee as nominated by the Executive Mayor or Mayor."

Clr M G Mhlongo	Mayor/Chairperson
Clr N V Gumbi	Member of the Executive Committee
Ms M J Ndlovu	Chairperson of the Performance Audit Committee
Clr S W Mgenge	Mayor from another Municipality (uMfolozi)
Mr E S Luthuli	Ward Committee member

- (b) For purposes of evaluating the annual performance of managers directly accountable to the Municipal Manager, an Evaluation Panel constituted of the following persons was established:
  - (i) Municipal Manager;
  - (ii) Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee;
  - (iii) Member of the Mayoral or Executive Committee or in respect of a plenary type Municipality, another member of Council; and
  - (iv) Municipal Manager from another Municipality."

Dr NJ Sibeko	Chairperson
Clr N V Gumbi	Member of the Executive Committee
Ms M J Ndlovu	Chairperson of the Performance Audit Committee
Mr KS Gamede	Municipal Manager from another Municipality

Performance Evaluation sessions are conducted at the end of each quarter. The first and the third quarter assessment are informal assessments. Formal assessments are conducted on the Second and Fourth quarter. The final(Fourth) and formal performance evaluation sessions of the Municipal Manager and Managers Directly accountable to the Municipal Manager covering the financial year are performed in November to allow sufficient time for validation and auditing of information reported on the completed financial year. The minutes of all meetings are available on the GroupWise electronic document management system. The final performance evaluation results and scores are reported via the Performance Audit Committee to the Executive Committee and Council before submission of the Annual Financial Statements and the Annual Report.

## 6. Auditing of Performance Information

The MFMA and the Municipal Planning and Performance Management Regulations require that the Municipal Council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of the municipality. No Councillor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations give municipalities the option to establish a separate performance audit committee whereas the MFMA provides for a single audit committee as further being recommended by National Treasury in terms of their MFMA Circular no. 65 of November 2012. The municipal Council has however taken a decision to continue with a separate Performance Audit Committee and Audit Committee to allow for Councillors to serve on the Performance Audit Committee to enable Councillors to provide input towards Performance Management related matters.

The Audit Committee relies on the work done by the Performance Audit Committee in terms of the Audit Committee charter and receives and considers reports presented to it by the Performance Audit Committee at its scheduled meetings.

In carrying out its mandate, the Audit Committee and Performance Audit Committee must have a good understanding of the strategic goals of the Municipality, strategic focus areas as outlined in the Integrated Development Plan (IDP) and the Service Delivery Budget Implementation Plan (SDBIP) and should:

- Review and comment on compliance with statutory requirements and performance management best practices and standards.
- Review and comment on the alignment of the Integrated Development Plan, the Budget, Service Delivery and Budget Implementation Plan and performance agreements.
- Review and comment on relevance of indicators to ensure they are measurable and relate to services performed by the Municipality.
- Review compliance with in-year reporting requirements.
- Review the quarterly performance reports submitted by internal audit.
- Review and comment on the Municipality's annual reports within the stipulated timeframes. Review and comment on the Municipality's performance management system and make recommendations for its improvement at least twice a year.
- At least twice during a financial year submit an audit report to the municipal council concerned.

In reviewing the municipality's performance management system the Performance Audit Committee focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned.

The Internal Audit Executive within the office of the Municipal Manager coordinates and manages the Internal Audit function within the municipality. A Panel of service providers (SekeleZabiso, PriceWaterHouseCoopers and Deloitte & Touche) have been appointed by uMhlathuze municipality for a three year period to deliver the Internal Audit function.

As part of their scope, auditing of the Performance Management System and Predetermined Objectives are performed and reported on for each quarter in terms of the following internal audit plan:

Audit Project	Focus Area
Review of Performance Information - Quarter 1	<ul style="list-style-type: none"> <li>■ Consistency in reporting;</li> <li>■ Measurability and reliability;</li> <li>■ Performance reports reviews;</li> <li>■ Performance score verification (Municipal Manager and Deputy Municipal Managers);</li> <li>■ Compliance with relevant laws and regulations.</li> </ul>
Review of Performance Information - Quarter 2	<ul style="list-style-type: none"> <li>■ Consistency in reporting;</li> <li>■ Measurability and reliability;</li> <li>■ Performance reports reviews;</li> <li>■ Compliance with relevant laws and regulations</li> </ul>
Review of Performance Information - Quarter 3	<ul style="list-style-type: none"> <li>■ Consistency in reporting;</li> <li>■ Measurability and reliability;</li> <li>■ Performance reports reviews;</li> <li>■ Compliance with relevant laws and regulations</li> </ul>
Review of Performance Information - Quarter 4 (Annual Performance)	<ul style="list-style-type: none"> <li>■ Consistency in reporting;</li> <li>■ Measurability and reliability;</li> <li>■ Performance reports reviews;</li> <li>■ Compliance with relevant laws and regulations (Report)</li> </ul>

The Auditor General finally audits all achievements reported in the Organisational Performance Management System Scorecard as reported in the Draft Annual Performance Report that is submitted together with the Draft Annual Financial Statements at the end of August of each year. Their findings are reported in their management letter and are included in the Annual Report. The information reported therefore is validated for correctness.

The Auditor General will be performing the auditing of information submitted in this report, together with all achievements reported in the Organisational Performance Management System Scorecard and submit their findings in their management letters to be included in the Annual Report of 2014/2015. The information reported therefore will be validated for correctness.

## Customer Satisfaction

Council has appointed Siloam People Development Agency to conduct the 2015 Customer Satisfaction Survey. The Comprehensive feedback and analysis report was received in June 2015. The results were reported to Council via the Performance Audit Committee per Council Resolution 10335, RPT 158509 on 28 August 2015. The comprehensive analysis feedback report is available on Council's official website. ([www.umhlathuze.gov.za](http://www.umhlathuze.gov.za) under the "Performance Management" link

## Annual Organisational Performance Information

Performance Monitoring underpins the Municipality's IDP in terms of reviewing progress regularly in achieving our priorities and delivering value for money services. Early investigation into variances enables remedial action taken where appropriate.

The Draft Annual Performance Report highlights the key performance measures included in the Integrated Development Plan (IDP) for the 2015/2016 financial year. These priority measures constitute the Organisational Performance Scorecard for 2015/2016.

The annual performance reporting on the 2015/2016 financial year has been completed and reflected in the Organisational Performance Scorecard in a table format (as prescribed by KZN CoGTA). The Draft Organisational Performance report is herewith presented to the Auditor General for auditing together with the Annual Financial Statements on 31 August 2016.

This Annual Performance Report (Tables) once finalized and approved should be read in conjunction with the uMhlathuze Annual Report, including the Annual Financial Statements as well as Auditor General Report on the Annual Financial Statements and Performance on Predetermined Objectives Information for 2015/2016.

On 30 June 2016, 75% of organisational performance targets have been met within 95% or exceeded the annual targets set. An average percentage annual achievement of 111.2% against the annual key performance targets set. Areas for improvement are shown in the relevant column directly in the Organisational Performance Scorecard for 2015/2016 (OPMS Scorecard). Accountable managers have provided commentary to put performance into context and identified actions that they are taking to address instances where under performance is reported.



The traffic light system used to report performance is as follow:

- **Blue** – Performance above 2% of the target
- **Green** – Performance meets target
- **Amber** – Performance within 5% of target
- **Red** – performance more than 5% adverse of target

In relation to the 2015/2016 year end performance results, the final results can be analysed as follows:

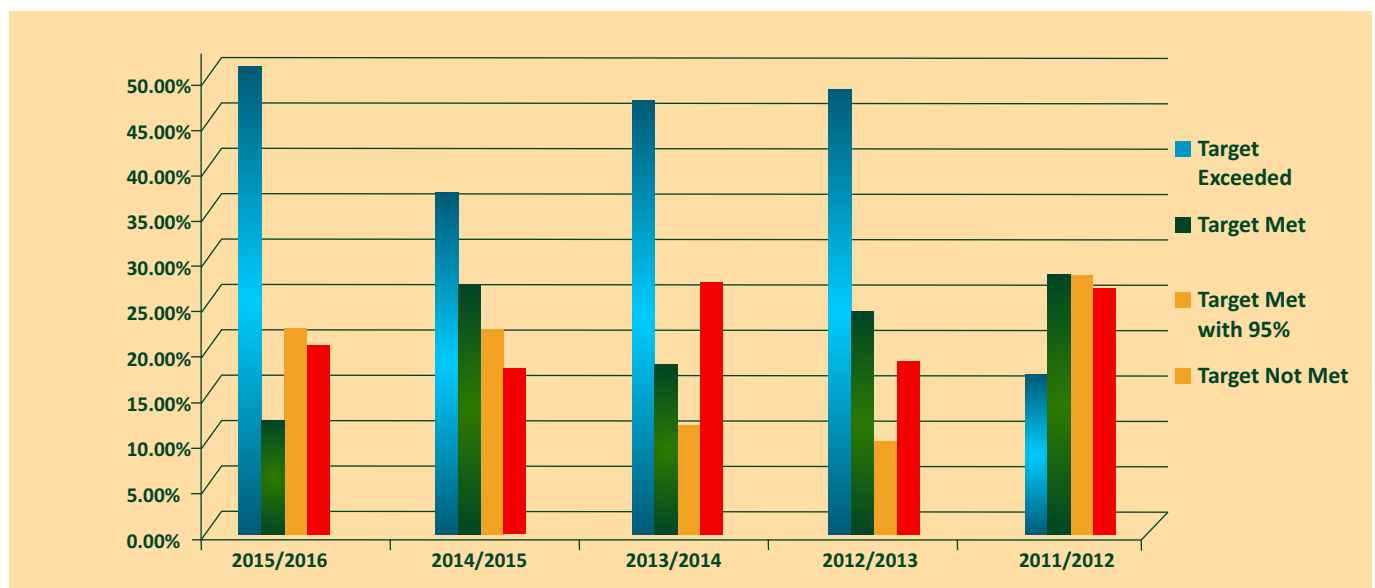
- **81%** of targets have been met within 95% or exceed against the year-end target set
- **19%** of targets not achieved, has increased compared to last financial year where 17% of targets were not met

The performance results for the organizational priorities can be summarized as follows:

Traffic Light Status	2015/2016 Performance	2014/2015 Performance	2013/2014 Performance	2012/2013 Performance	2011/2012 Performance
Blue – Exceeded target	49%	36%	46%	48%	21%
Green – Met target	11%	26%	18%	24%	27%
Amber – Missed target by less than 5%	22%	21%	10%	9%	27%
Red – Missed Target by more than 5 %	19%	17%	26%	19%	25%

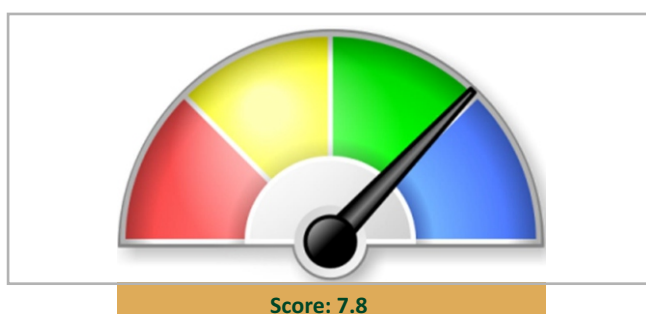
In 2015/2016 the average performance on performance targets achieved has decreased when compared with 2014/2015 financial year. It is worth noting the impact of factors such as budget and staff retention whilst continuously increased demand for services putting pressure on achievement of challenging targets. Ultimately the municipality has achieved savings for the financial year, maintained good levels of service delivery (as demonstrated through comparative information) and seen increased levels of satisfaction across a number of services.

The following chart illustrates overall performance for the 2015/2016 financial year with performance achieved during the four previous financial years, 2014/2015, 2013/2014, 2012/2013 and 2011/2012 financial years respectively:



#### Web-Based Organisational Performance Scorecard Dashboard

The following high level dashboard score has been achieved on the Organisational Performance Scorecard 2015/2016 financial year, populated in the Electronic web-based KZN CoGTA performance management system developed by SigmaIT.

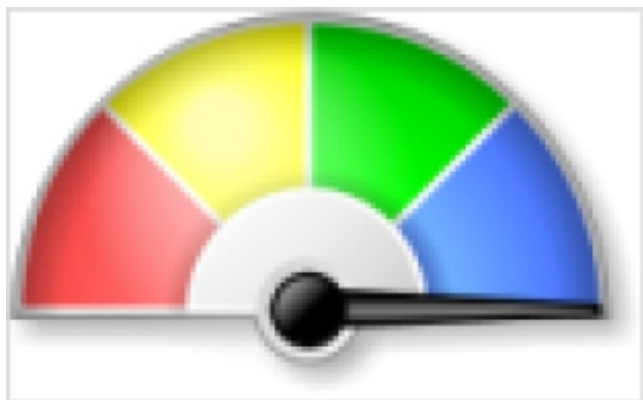


The web-based Performance Management System has scored the achievement of individual key performance areas as follows:

**“KZN Municipalities >> KZN Cogta PMS >> KZN 282: uMhlathuze LM >> KZN 282: Organisational Scorecard: IDP (Tier 1)”**

ID	NAME	TYPE	SCORE
7738	Good Governance Community Participation and ward Committee Systems	Key Performance Area	10.0
7739	Basic Service Delivery and Infrastructure Development	Key Performance Area	5.5
7740	Local Economic Development	Key Performance Area	10.5
7741	Municipal Transformation and Institutional Development	Key Performance Area	8.4
7742	Financial Viability and Financial Management	Key Performance Area	5.5

### 1. Good Governance, Community Participation and Ward Committee Systems



Good Governance Community Participation and ward Committee Systems  
Score 10

The municipality excelled in the area of community liaison and public communication and exceeding the number of planned IDP and Budget roadshow meetings. The annual target for ward committee management meetings and community meetings were reduced in anticipation of the municipal elections, however were exceeded by recording 344 ward meetings held against the annual target of 180. The total number of public meetings held was 131 against the annual target of 60 meetings.

IDP and Budget Roadshows, Ward Committee, Stakeholder Liaison and Council meetings were successfully scheduled and convened in accordance with Council's Standing Rules of Order to ensure ongoing community involvement in municipal decision making.

### Basic Service Delivery and Infrastructure Development



Basic Service Delivery and Infrastructure Development  
Score 5.5

The basic water service infrastructure improved during the financial year with a total of 85 028 (98.17%) households connected to the water network within the municipal area. The target of 1000 water-metering connections upgrades was slightly under achieved with 957 new meters installed (yard connections), contributing to an upgrade in water supply services.

A total 75 325 (88.10%) of households do have access to basic sanitation services. 2 904 additional VIP's was constructed, below the amended annual target of 4 200, as result of challenges experienced with contractors appointed for the construction of VIP toilets. Appointed contractors have experienced labour problems, however the municipality was able to decrease the sanitation backlog of 13 138 households without access to sanitation to 11 284. The projects have been rolled over to the next financial year and targets are included in the Organisational Scorecard for the 2016/2017 financial year.

The municipality is delivering electricity supply to 34 140 households and has connected 166 additional households to improve access to basic electricity services in the municipal electricity licensed area; however this target remains reliant on consumers applying for this service. The annual target of 250 new connections was not achieved. The municipality is in a position to deal with all applications received.

### 3. Local Economic Development



Local Economic Development  
Score 10



A total of 1966 low cost houses were constructed in the rural areas against the amended annual target of 766, therefore over achieved on the number of houses constructed during the financial year. No targets were set for Hostel units upgrading sine the allocation process for the residents of Bhambatha Hostel/Flats was nullified due to some irregularities during the allocation process by Izingelosi Consulting and the new service provider was appointed by Council which completed the allocation process by end March 2016. Then the appointed contractor which was appointed by October 2015 had to wait till the allocations were finalized and residents to move to two blocks that had been refurbished already where they only started working in May 2016 and are expected to finish by February 2017 according to the addendum of the programme.

The target for low cost housing in urban areas has been amended to zero. The outstanding units at Dumisane Makhaye Village are 12 in phase 7, there has been a delay due to the fact that the Implementing Agent did not cater for disabled residents and they were experiencing problems with the units that were allocated to them since they are on wheel chairs. The Implementing Agent Infraseriv was instructed to address these challenges and the cheapest option was to relocate those residents to new stands where a bigger house will be built for disable residents with all the requirements inside. Currently the Implementing Agent with the municipality is in the process of changing ownership for those units and build new proper units for disabled residents.

In terms of community capacity building programmes, 6 informal Trading sessions were conducted through the Mentorship Programme over 3 months as well as training sessions for small scale farmers, mentorship provision to SMME's and informal traders as well as the training of agricultural cooperatives.

The annual amended targeted jobs created through EPWP incentives were achieved within 99.5% and slightly below target as some projects only span over 6 months; therefore 731 jobs were recorded at the end of the financial year against the annual target of 734.

In provision of public transport facilities and infrastructure in the urban and rural areas, 58.5 kilometers of rural gravel roads were established against the target of 48 kilometers. Due to higher demands by the community, rural gravel roads were re-prioritized and funds re-allocated on the maintenance budget to meet the community demands. In terms of maintenance of tarred roads, rehabilitation target was not met, however in terms of dealing with potholes, the amended annual target was exceeded.

In terms of provision of recreational facilities and environmental services to the community, the annual target of 6 community halls to be upgraded has been met and 3 sports fields were upgraded against the annual target of 4 due to due to several rain delays experienced.

#### 4. Municipal Transformation and Institutional Development



Municipal Transformation and Institutional Development  
Score 8.4

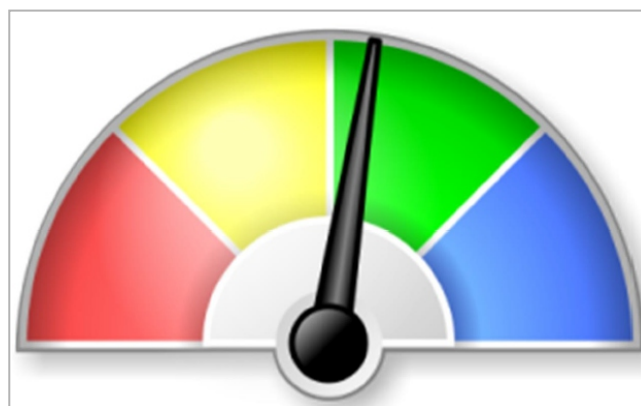
The municipality was able to meet the annual targets set for the recruitment and retention of staff from designated employment equity groups and still experiences a high level in staff turnover. The municipality continues with the implementation of the Employment Equity Plan during the 2016/2017 financial year.

In terms of the target set for female employees in management positions, there were 14 females appointed against the annual target of 9. A total of 806 females are employed at the municipality on 30 June 2016 against the annual target of 785. A total of 730 youth are employed at the municipality on 30 June 2016 against the annual target of 665.

A total of 84 Workplace Skills training programs was conducted during the financial year against the annual target of 60, resulting in an over achieved by 24. The percentage of budget spent on Workplace Skills Plan was slightly over achieved, due to the large number of external programmes.

The target of 200 occupational health and safety initiatives to be implemented has been exceeded by conducting 259 due to an increase in the number of contractors and inspections.

#### 5. Financial Viability and Financial Management



Financial Viability and Financial Management  
Score 5.5

R 2 078 104 614 was collected from customers of the municipality for the 2015/2016 financial year, contributing to a 101% on the targeted amount of R 2 075 753 356.

Except for capex spend, all financial Viability Indicators have improved, indicating an improved sound financial standing of the municipality. It needs to be noted that the Cost Coverage Ratio of 2.74 is in excess of the benchmark of 2, in addition this was achieved without the drawdown of the approved external borrowing for both the 2014/15 and 2015/16 financial years of R185million.

The municipality spent 93% of grants and subsidies received from government departments, since a roll-over application for grants received from the previous financial year was approved by National Treasury.

The challenge lies with deterioration in capex spend. Through some poor planning, the Municipalities capex spend reduced from 92.1% in the 2014/2015 to 78.39 % (R393m of R501m) in 2015/16 financial year. Measures have been put in place to improve on this indicator in the next financial year.

## 9. Annual Organisational Performance Scorecard

The following table reflects the organisational performance targets and achievements as reflected in the Integrated Development Plan, in relation to the achievements of the previous financial year as well as reflecting corrective measures to be taken in the 2016/2017 financial year in cases of under achievement:

Section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000) require the Municipality to reflect the municipality's, and any service provider's, performance during the financial year reported on. The uMhlathuze municipality is fortunate not to be reliant on external service providers in provision of Basic Services, i.e. water, sanitation, solid waste removal services delivered by the district municipality like most other local municipalities do.

Water distribution to the community by uMhlathuze is delivered through water purification by WSSA and through purified water purchased from the Mhlathuze Water Board. Electricity is distributed to communities by uMhlathuze Municipality in the municipal licensed area, through purchasing electricity from ESKOM. Also other Basic Services delivered by uMhlathuze Municipality include, solid waste removal (refuse collection) and sanitation. The number of households served with basic services as reflected in the table below reflects the municipality's and any service provider's performance on delivering basic services during the financial year, also a comparison with performance in the previous financial year as contemplated in section 46(1)(a) of the Municipal Systems Act (No. 32 of 2000).

The information reflected below will be subjected to validation in the Internal Auditing process (in line with the appointed panel of Internal Auditors and the Municipal Public Accounts Committee) *(as well as the Auditor General upon their annual audit process)* as reported via the Performance Audit Committee on 26 August 2016 per Council item RPT 160819, the Executive Committee on xx September 2016 and before Council on xx September 2016. Reports are available for inspection.

NOTE: The planned annual targets for 2016/2017 financial year, reflecting in the far right-hand column in the organisational performance scorecard below will have to be amended in line with the mid-year adjustment budget to include the total number of additional households as result of the four additional wards taken over from Ntambanana municipality due to the dissemination of Ntambanana municipality. The level of services to the additional four wards will have to be established and included into future planning and reporting on organizational performance.



## Comments:

**Access to electricity (New connections):** The Quarterly targets and achievements for this KPI are dependent on the number on applications received.

**Free basic Service (Households with access to free electricity):** The Quarterly targets and achievements for this KPI are dependent on the number on indigent applications received.

**Total number of households:** The annual targets as reflected in the approved IDP have been revised to 86609 based on Stats SA (Sensus 2011) figures.

**ACHIEVEMENTS:** The annual achievements as reported in the Actual (June 2016) column audited by the Internal Auditors (SekeleZabiso, PriceWaterHouseCoopers and Deloitte & Touche) and subject to the Auditor General and final adjustments made together with the Annual Financial Statements and AG Report.





# OFFICE OF THE MUNICIPAL MANAGER



**Nathi Mthethwa**  
Chief Operations Officer

## INTRODUCTION

The cities of the 21st century are the largest sites of human settlement today and are increasingly acting as critical nexus points of social, economic, ecological and technological change. The City of uMhlathuze has significantly improved service delivery and developed strategies to drive economic growth, human development and access to basic services. Against this backdrop, the Office of the Municipal Manager (OMM) remains the epicentre of driving city strategy, innovation and service delivery excellence. In this regard, the city continues to receive accolades for its achievements in service delivery and good governance.

The Office of the Municipal Manager is supported by the Chief Operations Officer as well as specialists responsible for integrated development planning, performance management, internal audit, communications, and enterprise risk management. The strategic role of the OMM is to ensure a coherent and integrated approach to service delivery by all departments and alignment of programmes and projects in order to achieve maximum impact. Access to basic services by all residents of the city remains a priority and this can be only be achieved through good governance and financial prudence.

To this end, the following key achievements have been recorded in terms of basic service delivery:

1. Access to water is 98.8%
2. Access to sanitation is 88.1%
3. Access to electricity in areas serviced by the city is 100%
4. Number of households with access to solid waste removal is 77.3%
5. Number of houses completed in rural areas is 1966 in the 2015/2016 financial year.
6. Jobs created through EPWP in the 2015/2016 financial year is 731.
7. The city received Back to Basics Provincial Scoring of 82%

During 2015/16 financial year, the OMM, in partnership with other City Departments, pioneered strategic projects such as the strategic Roadmap for Economic Development, Transformation and Job Creation, Smart City initiatives, International Relations and City to City Twinning Arrangements, Customer Care and Service Standards, Knowledge Management, Ward Profiling, Business Continuity, packaging of catalytical projects to stimulate the economy, establishment of a Mayoral Advisory Panel, adopted and aligned internal shop to Institute of Internal Auditors Standards including the development of Internal Audit Universe etc.

These diverse strategic projects are critical in positioning the city as an investment destination of choice and will contribute towards the realisation of economic transformation, sustainable economic growth and service delivery excellence.

## Integrated Development Planning

### Business Function

The IDP entails processes through which a municipality, its constituencies, various sector departments, interested and affected parties come together to prepare clear objectives and strategies which serve to guide allocation and management of resources within the municipal area of jurisdiction.

### Key Deliverables

Our primary function include:

- Facilitation and coordinating the development of a credible integrated development plan,
- Facilitation and coordinating the development of a credible integrated development plan,
- Facilitating and coordinating the development of the Corporate Plan
- Championing the Development of Sector Plans  
Development of Ward Profiles
- Ensuring alignment between the IDP, Budget and Performance Management Systems

In producing a credible IDP, the unit works tirelessly to ensure proper planning and coordination. Various structures have been established to ensure proper co-ordination; this includes the IDP Steering Committee.

Our role is very important towards the growth of the City, if the IDP is not credible and poorly implemented Service Delivery can be compromised.

## Performance Management

### Business Function

The unit is responsible to ensure that the municipality inter alia complies with the Municipal Planning and Performance Management Regulations (2001) which stipulate that a "municipality's performance management system entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role-players".



## Key Deliverables

The Performance Management Unit coordinates and ensure timeous submission of required performance monitoring and reporting through the Performance Audit Committee to the Council and to various organs of state, i.e. Quarterly Organisational Performance Report, Quarterly Non-Financial Performance Targets in terms of the Service Delivery Budget Implementation Plan, Monthly Back to Basic's reporting to National CoGTA, Quarterly Back to Basic's reporting to Provincial CoGTA and the preparation of the Annual Performance Report, reflected in Chapter 2 of this report.

The unit is continuously studying improvement opportunities, participating in workshops with various organs of state, attending of seminars and training sessions to stay abreast of development and provides guidelines and information on best practices on Performance Management and ensure implementation and management thereof at the municipality to ensure continuous improvement on service delivery to the community.

## Internal Audit

### Business Function

The Internal Audit Activity (IAA) of the municipality is established and regulated by section 165 of the Municipal Finance Management Act No. 56 of 2003 (as amended) (MFMA) read together with the MFMA Circular no. 65 of 2012 issued by the National Treasury and by the Municipal Systems Act, No. 32 of 2000 (MSA) which provides for the establishment of the IAA so as to regulate the function and to provide for matters incidental thereto.

Internal audit exists to provide independent objective assurance and consulting insights on the effectiveness, economy and efficiency of uMhlathuze Municipality's governance, risk and controls in order to create and drive innovation, responsiveness and sustainability of the service delivery value chain.

## Key Deliverables

The critical success factors and deliverables for an effective Internal Audit unit are:

Three year rolling strategic and operational plans that are:

- o Aligned to strategic objectives of the organisation.
- o Covers the strategic risk areas facing the organisation
- o Is risk based – addresses the key risks areas/concerns of management.
- o Is prepared in consultation with management, the audit committee and external auditors.
- o Matches assurance needs with available resources.
- o Trusted advisor to management
- o Promoting the sustenance of an effective internal audit function
- o Promoting accountability
- o Performing consulting activities in accordance to client needs
- o Assisting management with the enhancement of the overall governance, risk and internal control environments
- o Maintenance of a Quality Assurance and Improvement Programme:
  - o That covers all aspects of the internal audit activity.
  - o The programme includes an evaluation of the IAA's conformance with the definition of Internal Auditing and the Standards and an evaluation of whether the internal auditors apply the Code of Ethics.
  - o The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

## Enterprise Risk Management

### Business Function

The City of uMhlathuze defines risk management as an holistic and smart approach to managing threats to the achievement of objectives, as well as identifying and pursuing opportunities that may improve achievability of objectives. We understand the importance of thinking ahead so that services are delivered to our communities, on time and according to the highest standard. We are of the belief that this thinking ahead can only be achieved through active, entrenched Enterprise Risk Management.

## Key Deliverables

The main activities of the unit include:

Management of the risk management process

- Fraud and Corruption Prevention
- Business Continuity Management; and
- Compliance

The organisation has in place risk registers (Operational, Strategic and City Wide) in which threats and opportunities which are present or may arise in the fulfilling of its mandate, are recorded, assessed, acted on, monitored and reviewed as per legislated and best practice requirements.

## Communications, Marketing And Outdoor Advertising

### Business Function

City Communications plays a critical strategic central role to disseminate and cascade council resolutions and programmes to relevant internal and external audiences through proper and formal mediums of communication timeously. The vision and the mission of the City of uMhlathuze ought to be carried to greater heights through robust marketing and promotions in order to achieve its objectives of being a port city that is hard at work and poised for economic growth and beneficiation to its people.

The City is on a drive change the landscape for the better through catalytic projects that will see the relocation of its regional airport and the development of an Airport City, development of the International Convention Centre (ICC) with a shopping complex and entertainment amenities, state of the art world class water front, container terminal and harbour expansion, The Ridge up market suburb and many others. These projects will transform the look and feel of the City and shall certainly position the city into attracting tourists as well as investors while creating jobs and beneficiation for the local business community.

### Key Deliverables

Communications and Marketing therefore plays a central role in packaging all these products and services then sell them to different markets to solicit strategic partnerships for investments. The Communications unit is the custodian of The Brand City of uMhlathuze. This unit has a sole role to promote, protect and develop The Brand through different creative programmes and awareness activations. The City of uMhlathuze demographics dictates massive effective public relations and media campaigns in order to meet expectations, communicate services and product offering, facilitate feedback from stakeholders, sector groups, companies and multilingual and multi-racial communities living side by side in the city.

The City of uMhlathuze demographics dictates massive effective public relations and media campaigns in order to meet expectations, communicate services and product offering, facilitate feedback from stakeholders, sector groups, companies and multilingual and multi-racial communities living side by side in the city.



Port Cities Exchange Programme: Prof. J. Charlier from Belgium

## **CHAPTER 3**

# **ORGANISATIONAL DEVELOPMENT PERFORMANCE**





**Senamile Masondo**  
Deputy Municipal Manager

## CORPORATE SERVICES

The Corporate Services Department is comprised of three sections namely Administration, Human Resources and Information Communication Technology.

### ADMINISTRATION SECTION

The section is divided into 5 divisions, namely:

- Diverse Administration;
- Records Management;
- Legal Services- Conveyancing, Contracts etc.;
- Legal Services- Litigation; and
- Public Participation and Councillor Support.

### DIVERSE ADMINISTRATION

The division consists of four (4) units:

- Call Centre and Customer Service Desk
- Facilities Management
- Secretariat Services
- Literary Standards

### Call Centre and Customer Services Desk

The call centre and customer services desk serves as the central point of contact for uMhlathuze Municipality facilitating responsive accessible and accountable Local Government through providing a high quality customer support services for both internal and external customer satisfaction and building a long term positive relationship with customers by maintaining transparency through continuous communication.

Its vision is to maintain quality communication with the community and to provide quality services to all citizens of the City of uMhlathuze through various platforms including telephone, email, walk-ins and social media.

The Call Centre operates a 24 hour 7 days a week toll free number- **0800 222 827**. The toll free line is for complaints only and it is not transferrable. Complaints such as power failure, water leaks, pipe bursts and metre faults are recorded on the Municipal Issue Tracking (MITS) and then the call is dispatched to the relevant department's depots for further action.

### Calls logged on Municipal Issue Tracking System (MITS)

Quarter1	2 703
Quarter2	2 117
Quarter3	2 783
Quarter4	3 308

The customer services desk is stationed at the Richards Bay Civic Centre and is tasked to facilitate the following:

- Processing new applications for water and electricity connections;
- upgrading and downgrading of electricity phases and water metres;
- issuing of tender documents once they have been paid for and filing of proof of payments;
- dealing with service delivery complaints;
- assisting the public (especially the walk-ins) with enquiries pertaining to municipal services;
- directing members of the public to the correct officials and office numbers;
- capture complaints onto the MITS system and distribute to the relevant departments;
- communicate and co-ordinate work with internal departments;
- follow up on customer interactions and provide feedback;
- keep records of customer enquiries, interactions and transactions; and
- ensure a high level of customer service excellence.

The switchboard operates the main line **035 907 5000** from 07h20 to 16h00 from Monday to Friday where calls are screened and transferred to the relevant departments for attendance.

	Incoming calls	Outgoing calls
Quarter 1	224 373	354 780
Quarter 2	204 393	201 247
Quarter 3	223 300	351 071
Quarter 4	89 839	140 183

### Facilities Management

The Facilities Management function is to support the organization by enhancing the quality of physical facilities, which is done through planning, designs, engineering, construction and maintenance in a responsive service oriented, effective and environmentally conscious manner.

This is a newly established unit, which has the following strategic plan:

- Centralizing planning and management;
- increasing collaboration between departments;
- establishing an enterprise- wide master planning process;
- leveraging technology; and
- conducting an inventory and assessment of current buildings/ space.

To this end, the unit has facilitated the establishment of a Facilities Management Committee which is responsible for effective and efficient management of municipal facilities.

### Secretariat Services

The function of the division is to provide quality support services to both internal and external stakeholders, to ensure the provision of a secretariat, administrative, printing and distribution facilities provision and management function.

It aims to continue to improve, implement, maintain, and serve the community of both internal and external stakeholders by developing standards, operating procedures, internal policies and capacity building of staff within the section.

Secretariat Services provides administrative and secretariat support in respect of a number of Council Committees established in terms of inter alia Sections 79 and 80 as well as other sections of legislation in terms of the Local Government: Municipal Systems Act, Act 32 of 2000. The section also attends to booking and control of municipal venues.

During the period under review meetings were accommodated as follows in the undermentioned venues:

VENUE	JULY TO SEPT 2015	OCT TO DEC 2015	JAN TO MAR 2016	APRIL TO JUNE 2016	TOTAL
Committee Room 1	47	46	43	36	172
Committee Room 2	27	131	66	68	292
Committee Room 3	109	70	75	77	331
Executive Committee Room	110	83	88	101	382
Council Chambers	93	97	70	100	360
Auditorium	99	81	82	82	344
Restaurant	62	58	39	40	199
Lounge	28	16	18	12	74
Banquet Hall	75	54	36	52	217
<b>TOTAL OF BOOKINGS MANAGED</b>	<b>650</b>	<b>636</b>	<b>517</b>	<b>568</b>	<b>2 371</b>

The following schedule reflects the number of meetings held during the year and the number of reports served at the various committees.

	Council		EXCO		Portfolios		Bid		Other		Total	
July 15 – Sep 15												
Meetings held	3		6		14		44		10		77	
Agenda Items		191		219		161		154		85		810
Oct 15 – Dec 15												
Meetings held	4		5		15		41		11		76	
Agenda Items		289		194		133		143		81		840
Jan 16 – Mar 16												
Meetings held	3		3		12		40		11		69	
Agenda Items		179		185		122		151		50		687
Apr 16 – Jun 16												
Meetings held	3		3		15		51		15		87	
Agenda Items		226		220		173		150		91		860
Total for the year												
Meetings held	13		17		56		176		47		309	
Agenda Items		885		818		598		598		307		3197

The following Internal Committees are also managed by the Secretariat Services:

MEETING	FREQUENCY	NUMBER OF MEETINGS HELD
MANCO (Municipal Manager's Meeting level 19 and Up)	Twice a month	10 meetings held
ICTSC (Information and Communication Technology Steering Committee)	Monthly	7 meetings held
ERM (Enterprise Risk Management Committee)	Quarterly	4 meeting held

Reporting writing training for employees is also provided as a service by the unit to ensure the timeous production of quality reports.

## RECORDS MANAGEMENT

The purpose of Records Management is to ensure that the management of all the municipal records are in accordance with the records management principles contained in the National Archives and Records Service Act 196.

The Records Section handles all incoming and outgoing mail. The table below depicts the statistical information of correspondence processed during the period under review.

	Jul 15 - Sep 15	Oct 15 – Dec 15	Jan 15 – Mar 16	Apr 16 – Jun 16	Total for the year
Incoming Mail	1084	1724	986	985	4779
Cheques received	32	35	45	59	171
Outgoing Mail	5380	5633	5440	3886	20339
Emails	16182	15127	11471	9508	52288
Faxsimiles	1594	1642	1661	1035	5932
Total items handled	24272	24161	19 603	15 473	83509

The following is the statistical information of Access to Information applications received in terms of the Promotion of Access to Information Act 2 of 2000 for the reporting period 1 April 2015 to 31 March 2016 as per legislative requirement.

Reports in terms of Section 32

Reporting period:01 April 2015 to 31 March 2016	Total Number	Comments
(a) Number of PAIA requests received	22	Of the 22 applications received 20 were standard applications
(b) Number of requests granted in full	20	20 applications granted in full.
(b)(1) Number of applications not finalised	Nil	Nil
( c ) Number of requests granted despite there being a ground for refusal	Nil	Nil
(e) Number of requests:	1	Application was declined as a result of record privileged from production in legal proceedings
(1) Refused in full	Nil	Nil
(2) Refused partially	Nil	Nil
(3) Number of times a provision of PAIA was relied on to refuse a request in full/partially	Nil	Nil
(4) number of requests not granted due to their being no record	1	Matter was not attended to by this municipality
(e) Number of instances where the 30 day period to deal with a request was extended	Nil	Nil
(f) Number of internal appeals:	Nil	Nil
(1) Lodged with the relevant authority	Nil	Nil
(2) Number of cases where the requests were granted as a result of an internal appeal	Nil	Nil
(g) Number of internal appeals lodged on account of a deemed refusal	Nil	Nil



(h) Number of applications to court on the grounds that the internal appeal was dismissed by the relevant authority failing to give advice of its decision during the time frames stated in section 77(3)	Nil	Nil
Comments including those relating to implementation, application, requests, or areas of the Act for which reforms are recommended	Nil	Nil
(4) number of requests not granted due to their being no record	Nil	Nil

#### LEGAL SERVICES - Contracts, Conveyancing & Business Licenses

The Legal Services Sub-Section aims:

- to manage the provision of a comprehensive, efficient and effective legal service to the Municipality in line with the Constitution of South Africa and other applicable pieces of legislation.

The following services are rendered by Legal Services:

##### Legal Agreements

The table below is a summary of the legal agreements concluded in the reporting period:

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total for 2015/16
Lease Agreements	7	5	3	7	22
Lease agreements: Public Open Spaces	0	0	0	2	2
Encroachments	0	0	2	0	2
Sale Agreements	5	2	1	5	13
Service Level Agreements	33	26	36	47	142
Sale Agreements: Public Open Spaces	0	0	0	0	0
Memorandum of Understanding, Railway Facility Agreement, Grant Funding Agreements, Servitude Agreements, etc	18	40	35	40	133
EEDBS Agreements	0	0	0	70	70
<b>TOTAL</b>	<b>63</b>	<b>73</b>	<b>77</b>	<b>171</b>	<b>384</b>

##### Conveyancing

The table below is a summary of conveyancing transaction concluded in the reporting period:

Properties Registered	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total Amount
4	R19 342 698,56				R19 342 698,56
1(Council was purchaser)		R82 500 000,00			R82 500 000,00
3			R22 898 860,00		R22 898 860,00
4				R1 198 140,00	R1 198 140,00
<b>Total value of 9 transfers registered</b>					<b>R125 939 898,56</b>

##### Business Licenses

The table below is a summary of business licenses act in the reporting period:

	1 <sup>st</sup> Quarter	2 <sup>nd</sup> Quarter	3 <sup>rd</sup> Quarter	4 <sup>th</sup> Quarter	Total Amount
Licences issued Item 1 (Foodstuff)	16	21	8	16	61
Licences issued Item 2 (Entertainment)	3	5	0	2	10
<b>Total New Business Licenses Issued</b>	<b>3</b>	<b>11</b>	<b>4</b>	<b>18</b>	<b>36</b>
Duplicate Licenses Issued	1	0	4	4	9
<b>Renewals</b>	<b>6</b>	<b>138</b>	<b>235</b>	<b>3</b>	<b>382</b>

The division also provides legal opinions to departments when required.

## LEGAL SERVICES - Litigation

Legal Services provides support to both the Administration and Council. The functions and responsibilities of the municipal Legal Services have the following key performance areas:

- Institutional Corporate Legal Compliance
- Giving advice and opinions
- Labour Law services
- Coordinate and re-align Municipal Bylaws
- Litigation
- Providing a contracts management service
- Property legal service

**The following bylaws were reviewed and amended during the 2014 / 2015 financial year:**

1. Street trading Bylaws
2. Standing Orders for Council and its Committees
3. Public Amenities Bylaw
4. Nuisance Bylaw Street Trading Bylaw
5. Advertising Sign Bylaw

## EMPLOYEE ASSISTANCE PROGRAMME

The EAP aims to provide a high quality of proactive and reactive employee wellness services to the staff of the City of uMhlathuze by implementing and developing effective, supportive and accessible wellness programmes for all employees and their families.

The following awareness campaigns were conducted during the period under review:

- Cancer Awareness;
- TB Awareness; and
- STI/ condom week

Other programmes included:

- Spiritual uplifting programme (prayer day)
- Employee wellness day
- Financial education and Consumer Rights Protection

Pictures from the above awareness campaigns are included below:



## LABOUR RELATIONS:

The core function of this section is to maintain and control the application of specific procedures associated with sound industrial relations climate by attending to and guiding disciplinary and grievance processes, reporting to specific Committees on the status of the function, capacitating Management Representatives on the application and interpretation of policies and agreements, in the long run thus ensuring proper function of Council.

Labour Relations co-ordinates frequent meetings with Organised Labour to keep abreast with internal labour related developments within the sector and in particular the Municipality

## DISCIPLINARY MATTERS:

There were ..... disciplinary hearings that took place during this financial year. The following schedule indicates the type of misconduct committed, incidents of such misconducts and sanctions emitted. Cases that were postponed and or pending do not feature in the table below:

TYPE OF MISCONDUCT	NUMBER OF INCIDENTS	CHARGES WITHDRAW	WRITTEN WARNING	FINAL WRITTEN WARNING	DISMISSAL
Absenteeism	12	4	4	6	2
Abscondment	2	n/a	n/a	n/a	2
Dishonesty	4	n/a	n/a	1	3
Insubordination	6	1	3	2	n/a
Negligence	4	1	n/a	n/a	3
Sexual Harassment	n/a	n/a	n/a	n/a	n/a
Damage to Property	3	1	n/a	n/a	2

## DISPUTES REFERRED TO THE SALGBC AND AWARDS:

NATURE OF DISPUTE	NUMBERS	SETTLED	DISMISSED	AGAINST EMPLOYER	REFERRED TO LABOUR COURT
Unfair Dismissal – Resigned upon Discipline	1				
Unfair Dismissal – Sexual Assault	1		1		1
Unfair Dismissal – Dishonesty	1		1		

## TRANSFER OF STAFF:

Facilitated the negotiations on the disestablishment of Ntambanana Municipality.

## TRAINING:

- Local Labour Forum's training;
- Labour Relations Employee engagement session;



Team Building Exercise between Management and Labour Component:





## COMMUNITY SERVICES



**Methews Oliphant**  
Deputy Municipal Manager

As I look back on the 2015/2016 financial period I am proud to report that “performance with purpose” is woven into the fabric of this Department. The year can be summed up as one of hard earned successes, but also one that posed many challenges. Our aim, to touch the lives of all citizens living in the uMhlathuze municipal area is clearly displayed in this annual report which is a testimony of our commitment to service delivery to the entire community.

Key achievements for this department during the 2015/2016 financial year are as follows:

- The establishment of two (Waste) Material Recovery Facilities that enables the optimisation of waste;
- Establishment of a partnership with “Wildlands Conservation Trust” to optimise recycling and job creation by providing a platform for small scale recyclers to operate from;
- Successful procurement of a Calibrator and “Zero Air Generator” to calibrate Ambient Air Quality Monitoring Stations to ensure accurate readings & air quality statistics;
- Establishment of an Industrial Data Base to enable effective Air Quality Management.;
- Construction and establishment of a fully functional Occupational Health Clinic;
- Successful procurement of a 37m Hydraulic Ladder Platform Fire Engine as well as three 4x4 LDV's with Bush Fire-Fighting Skid Units;
- LGSETA Accreditation for the Fire and Rescue Services Training Centre for First Aid Levels I, II and III Basic Fire fighting Courses;
- Establishment of one-stop facilities for cemetery services
- Phased development of public open spaces (Parks)
- Refurbishment/development of 5 Sports and Recreation facilities;
- Successful rehabilitation of Alkantstrant beach area;
- Construction and establishment of new Library in Aquadene and upgrade and expansion of eSikhaleni Library;
- Successful establishment of Arts and Culture Component for outreach and development of artists in various genres;
- Refurbishment of 6 Halls/Thusong Centres in different Wards;
- Effective traffic management of both major and minor events; and
- Establishment of effective VIP Protection Unit.

### 1. Public Health And Emergency Services :

#### 1.1 Waste Management Services

##### “Preserving a Healthy Environment”

The Constitution of South Africa, 1996, provides the foundation for environmental regulation and policy in South Africa. The right to environmental protection and to live in an environment that is not harmful to health or well-being is set out in the Bill of Rights (section 24 of Chapter 2).

This fundamental right underpins environmental policy and law, in particular the framework environmental legislation established by the National Environmental Management Act, 1998 (Act No. 107 of 1998) (NEMA).

The Waste Act fundamentally reforms the law regulating waste management, and for the first time provides a coherent and integrated legislative framework addressing all the steps in the waste management hierarchy.

#### Strategic Goals

The eight strategic goals around which the uMhlathuze Waste Management Strategy in line with National Waste Management Strategy (NWMS), are structured is as follows:

- Goal 1: Promote waste minimisation, re-use, recycling and recovery of waste.
- Goal 2: Ensure the effective and efficient delivery of waste services.
- Goal 3: Grow the contribution of the waste sector to the green economy
- Goal 4: Ensure that people are aware of the impact of waste on their health, well-being and the environment.
- Goal 5: Achieve integrated waste management planning.
- Goal 6: Ensure sound budgeting and financial management for waste services.
- Goal 7: Provide measures to remediate contaminated land.
- Goal 8: Establish effective compliance with and enforcement of the Waste Act.

In terms of City of uMhlathuze Waste Management the following has been achieved, in line with its strategic goals,

**GOAL 1: PROMOTE WASTE MINIMISATION, RE-USE, RECYCLING AND RECOVERY OF WASTE.**

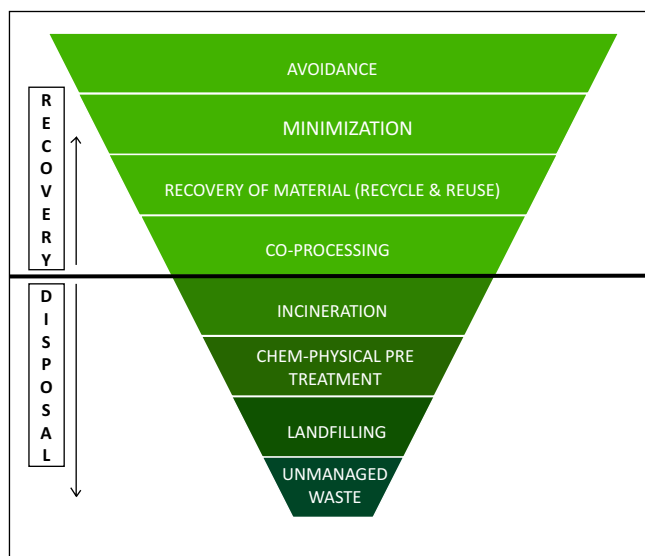
Under this goal, several programmes have been implemented in order to minimise waste that goes to landfill site, whilst at the same time benefiting the communities.

#### RECYCLING

Two Material Recovery Facilities (MRF) have been built and are operational. Drop off-points such as Alton MRF, eNseleni MRF, Essenwood Drop Off, Meerensee Drop Off and 5 nodes in which recyclables are collected are also operational.

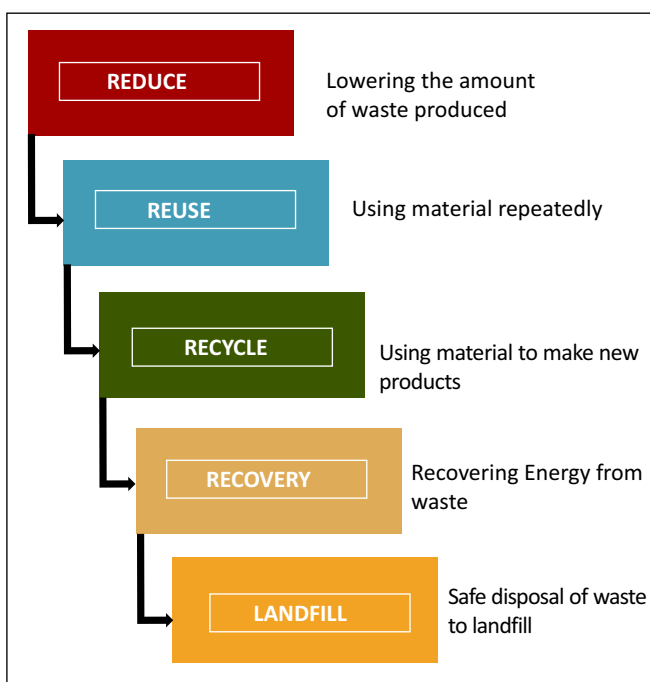
A partnership has been established with Wildlands Conservation Trust and the Municipality is working with other small scale recyclers in the City in order to optimise recycling.

The main aim here is the implementation of a hierarchy as shown below.



**Table 1**

The following table shows a breakdown of different waste streams recycles in the year at hand.



**Table 2**

MONTH	RECYCLABLES IN TONS	% WASTE MIN
Quarter 1	2 659	19%
Quarter 2	3 230	22%
Quarter 3	3 280	23.3%
Quarter 4	3 110	22%
<b>Total</b>	<b>12279</b>	<b>21.5% Average</b>

Table 2 above reflects that 21.5% of the waste generated and landfilled within the City of uMhlatuze boundaries was recycled or reused. The recycling programme has benefitted a number of individuals in the green economy whom we refer to as Waste Entrepreneurs and further contributes to achieving Goal 3 which deals with the contribution of the waste sector to the green economy.

## GOAL 2: ENSURE THE EFFECTIVE AND EFFICIENT DELIVERY OF WASTE SERVICES.

In terms of the Constitution the responsibility of waste management functions are to be devolved to the lowest level of government. It is therefore clear that the City is responsible for Waste Management within its area of jurisdiction and has to ensure proper handling of waste thus preserving a health and safety environment.

The following are the daily core operations carried out to achieve goal 2

- Weekly waste collection and disposal thereof at an approved landfill site.
- Street and rank litter picking and public ablution facilities cleaning.
- Street and rank litter picking and public ablution facilities cleaning.
- Recovery of re-usable and recyclable material from the main stream of waste.
- Clearing of illegal dumping within the City of UMhlatuze.
- Plans to eradicate backlog.

**Table 3**

QUARTER	NO OF TRIPS	TONAGE OF WASTE DISPOSED OF
1 <sup>ST</sup> Quarter	2 008	10 982
2 <sup>nd</sup> Quarter	2 059	10 327
3 <sup>rd</sup> Quarter	1 857	9 526
4 <sup>th</sup> Quarter	2 076	10 293
<b>TOTAL</b>	<b>8000</b>	<b>41 128</b>

A total of 8000 **trips** were made to the uThungulu Regional Landfill Site and Alton Recycling Centre and 41128 tons of waste was disposed during 2014/2015 period.

A total of about **77%** (65102) on average of total households (86000) had access to the basic weekly solid waste removal service at the end of June 2016.

## Goal 4: Ensure That People Are Aware of the Impact of Waste on their Health, Well-being and the Environment.

A number of Community Clean up campaigns were carried out involving scholars from schools and community members.

Waste Management has a partnership with the National Department of Environmental Affairs under the “Youth Jobs in Waste Program” in which youth members identified in the Community work with the section in educating communities on the negative environmental effect of improper management of waste.

In 2015/2017 there were 26 waste management environmental awareness campaigns which took place in schools and communities in the form of clean up campaigns, school talks and door to door campaigns. All this was aimed at ensuring that people start recycling and discourage illegal dumping so as to promote a healthy environment. In conducting these campaigns several awards have been bestowed on the Municipality.

### **Goal 5: Achieve Integrated Waste Management Planning.**

The City of uMhlathuze has finalized its updated integrated waste management plan (IWMP) which will be implemented in the next five years.

One of the new exciting projects will be the alternative treatment of waste rather than landfilling. The City is currently busy with study on “*Diversion of waste away from landfill site*”, which is funded by the German Government through the National Department of Environmental Affairs. This study is being implemented by GIZ and will be finalized in the next financial year.

### **Goal 6: Ensure Sound Budgeting and Financial Management for Waste Services.**

Within the constraints of a limited budget the section has managed to expand services to rural areas that previously did not have access to these services. This is unfortunately putting more pressure on the budget. The Section has carried out a survey within its current business so as to ensure that customers receive the service they pay for at all times. The Section has further stabilized expenditure on overtime and currently only allows for planned and approved overtime. Further avenues are being investigated to ensure that more is done within the limited funding available.

### **Goal 7: Provide Measures to Remediate Contaminated Land.**

This section has developed a comprehensive plan on illegal dumping which outlines the role of each and everyone within our jurisdiction, ranging from business, contractors, garden services, law enforcement and even media in order to address illegal dumping and land pollution.

This plan has yielded good results even before it being fully implemented. Communities are sending information and culprits are caught on the spot.

### **Goal 8: Establish Effective Compliance with and Enforcement of the Waste Act.**

In terms of the Waste Act, all handlers of waste should be registered with the Waste Management Officer. Currently there is a number of waste handlers who have registered already, and who assist with the proper profiling of waste.

## **1.1 Air Quality Management**

The Air Quality Management Unit (AQMU) is a component under Community Services. The role of AQMU is to ensure that the environment is protected by providing reasonable measures for prevention and enhancement of air quality for the sake of the Citizens within the City of uMhlathuze.

### **OBJECTIVES**

- To comply with the Constitution, NEM: AQA 2004 & other related pieces of legislation
- To be in line with the NAQF in attaining compliance with ambient air quality standards, and give effect to the Republic's obligations in terms of international agreements
- To effectively communicate air quality status information to all levels of the society, from experts in the field to primary school children and the ordinary citizen on the street
- To improve information sharing with other spheres of government and relevant institutions dealing with air quality.

### **Mandate on Air Quality Management**

City of uMhlathuze has an obligation to ensure that Section 24 of Chapter 2 of The Constitution of the Republic of South Africa of 1996 stating “Everyone has the right an environment that is not harmful to their health or well-being”. Furthermore the organization has a mandate to adhere to legislation such as the National Environmental Management Air Quality Act of 2004.

### **2015/16 MILESTONES**

#### **Inspections**

There were eighty seven (87) inspections conducted. These inspections include various types of industries such as smelters, pulp and paper mills, chemicals, harbour, iron steel, fertiliser, coal exporters, mineral mining, forests, blasting and sugar cane.

#### **Complaints**

There were one hundred and two (102) complaints attended. These complaints include spillages, odour, burning, etc. Out of 102 complaints, 58 were related to overgrown private owned properties.

#### **Awareness Programmes**

The awareness programmes are based on bringing awareness to various stakeholders including schools, clinics, ward meeting and informal industries. The awareness focuses on:

- Sources of air pollution
- Effects of air pollution on the environment and human health
- Strategies to embark on to minimize air pollution
- Indigent Burial Assistance Policy
- Clinic Awareness Programmes

Eight Clinics were visited during the 2015/2016 financial year.





Richards Bay Clinic



Empangeni Clinic



Phaphama Clinic



Thokozani Clinic



Mandlazini Clinic



Isiboniso Clinic



Khandisa Clinic

## Ward Meetings

Six (6) ward meetings were attended, i.e. Hlanganani Community Hall (Ward 20), Mabamba Clinic (Ward 29), Nqutshini Primary School (Ward 29), eNiwe Community Hall (Ward 29), Dumisani Makhaye (Ward 9) and Anglican Church (Ward 21)





Hlanganini Community Hall (Ward 20)



Mhlanga – ePhayindana (Ward 29)



Anglican Church (Ward 9)



## SCHOOLS

Awareness programmes were presented at eleven (11) schools. They include Ingweni, Kwandisa, Engalangala, Gobandlovu, Wood & Raw, Maqhama, Musi, eNiwe, Kati, Vondlo and Bhejane Primary Schools respectively.



## SCHEDULED TRADE PERMITS

Thirteen (13) Scheduled Trade Permits including renewals were attended to during the period 1 July 2015 to 30 June 2016, that includes 3 New Scheduled trade permits, 2 Renewals and 8 were in progress as at 30 June.

## NOTICES

Fifty Nine (59) Non-compliance notices were issued during the reporting period and include 4 to Industries, 51 were issued in respect of overgrown properties and 9 to swimming pool owners for non-compliance.

## PEST CONTROL

Twenty one (21) requisitions were issued for pest control for the removal of bees.

## INDIGENT AND PAUPER BURIAL ASSISTANCE

There were 250 Indigent burials and 32 Pauper burial applications that were processed at a cost of R597 219.

## RITUAL SLAUGHTER

A total number of sixty nine (69) ritual slaughter applications were processed and permission granted.

## OVERGROWN PRIVATELY OWNED PROPERTIES

A total number of 401 overgrown properties were cut and cleared to promote the safety of the community

## PROJECTS

The following projects were successfully completed during the 2015/2016 financial year:

- A Calibrator and Zero Air Generator were procured to calibrate the Ambient Air Quality Monitoring Stations that were installed towards the end of the 2014/2015 financial year.

- An Industrial Database has been established. A project to register all industries within the City of uMhlathuze was conducted in 2015. A total number of 704 industries were recorded in our database. A number of 30 EPWP were employed to assist in this project.
- 3 Air Quality Management Awareness sign boards were erected during the 2015/2015 financial year.

## 1.3 OCCUPATIONAL HEALTH CLINIC

### NEW OCCUPATIONAL CLINIC

The building of the new Occupational Health Clinic in Alton is nearly completed. This will serve all employees in uMhlathuze municipality. There will be two occupational clinic for employees, one in Empangeni and the new clinic being built in Richards bay, Alton.

### MEDICAL SURVEILLANCE

Medicals surveillance is being done on employees per department. This is to prevent any occupational disease and ensure early detection of occupational and chronic disease to promptly start intervention. With pre-employment is to establish if the future employee is health and fit for the position to eliminate risk and to comply with the Occupational Health and safety act of no 85 of 1993. Exit medicals are being done to establish the health status of employee on exiting the municipality.

### DEPOT VISITS

The clinic has been visiting the depots and inspected the first Aid boxes. The clinic with the peer educators is filling the condom containers. Health topics are given monthly to peer educators.

### DEPARTMENT VISITS

The doctor has been visiting department to identifying health issues. These findings are then incorporated into the annual medicals. This is to protect the employee against any harm in the work place.

### CLINIC VISIT PER QUARTER

	JUL – SEPT QUARTER 1	OCT-DEC QUARTER 2	JAN-MAR QUARTER 3	APR-JUN QUARTER 4	ANNUAL TOTAL
Total Head count	3361	3042	2760	2830	11993
Minor ailments attended to	1 435	3042	1 529	1 283	5 716
Pre-employments examinations	40	3042	20	34	159
Total medical surveillance examinations	550	3042	445	305	1594

The clinic attended to 11 993 employees in the 2015 – 2016 financial year. 5 716 employees were treated for minor illness during the financial period. A total of 1 594 medicals were conducted with 159 being pre-employments.



## 1.4 FIRE AND DISASTER

The Fire and Rescue Services excelled once again in the quality and quantity of the service delivery that it provides to the community. Loss of life and property has been kept to a minimum due to effective fire fighting, rescue, hazardous material incidents and fire prevention activities. This is due to the dedication and loyalty of all staff that have once again gone that extra mile for the community that they serve and protect.



The Fire and Rescue Services expanded its vehicle fleet with procuring the following vehicles:

### 37 METER HYDRAULIC LADDER PLATFORM FIRE ENGINE

The hydraulic ladder platform fire engine is fully operational and is utilised during fire-fighting and rescue operations in multi-storey buildings, industrial structures as well as ship related incidents. The rescue of patients and occupants from multi-storey buildings, e.g. hospitals, hotels, schools, etc. can be carried out effectively with this specialised piece of equipment.



### 4 x 4 LDV'S WITH BUSH FIRE-FIGHTING SKID UNITS

The three 4 x 4 Light Delivery Vehicles with Bush Fire-Fighting Skid Units mounted on the back ensure effective fire-fighting. The skid units can be removed from the Light Delivery Vehicles with ease, thus releasing the vehicles for other duties and reloaded within minutes in the event of a fire.

The purchasing of the above vehicles has further enhanced service delivery within the City of uMhlathuze area of jurisdiction.

### EMERGENCY GENERATOR

The Fire and Rescue Services have procured and installed a fully operational emergency generator in the event of power outages and can therefore continue with day to day operations.

### TRAINING DIVISION

LGSETA ACCREDITATION FOR FIRST AID LEVEL I, II III & BASIC FIRE FIGHTING COURSES

The City of uMhlathuze Fire and Rescue Services obtained accreditation from the Department of Labour to present First Aid Level I, II and III and Basic Fire Fighting Courses.



## DISASTER MANAGEMENT

### DISASTER MANAGEMENT

- Assistance in the form of food parcels, blankets and shelter was given to families within the City of uMhlathuze area of jurisdiction whose residences were destroyed by fire and / or natural disasters.
- Standby duties were carried out at various mass public gatherings/ venues throughout the City of uMhlathuze during the year and as a result of good pre-planning, no incidents were reported.
- The Disaster Management plan for the City of uMhlathuze was kept updated throughout the year and was tested on various occasions by means of evacuation drills and other emergency exercises which took place at industry, commerce, medical institutions and schools.
- Various emergency plans were received and scrutinized from major industry, commerce, medical institutions and schools and were placed on file.
- During the year Fire Awareness Campaigns were conducted where scholars received educational information and/or career guidance.

## 2. ENVIRONMENTAL AND RECREATIONAL SERVICE, ARTS & CULTURE

### 2.1 HORTICULTURE & CEMETERIES

#### • CEMETERIES

The provision of interment services is the integral part of our service provision to the community. Currently there are two fully operational cemeteries within the City of uMhlathuze that being in Richards Bay and eSikhaleni. There are also non-operational cemeteries at Empangeni, Nseleni and Vulindlela. General maintenance was performed during the past financial year on all of the above-mentioned cemeteries.

Interments are performed primarily over weekends thaty has a direct impact on the overtime budget which has increased substantially over the past few years. Council remains with the responsibility to cater for this service to the public regardless of challenges at hand. The average number of burials conducted per month ranged between 54 to 60 internments

It is worth noting that Council is streamlining the service delivery to the community by providing One Stop facilities for cemetery services that includes the booking/reservation at the following treasury offices

- eSikhaleni Treasury Office (Hlanganani and New Hall)
- Vulindlela Treasury Office
- eNseleni Treasury Office
- Richards Bay Treasury Office (Civic Centre)
- Ngwelezane Treasury Office
- Empangeni Treasury Office

During the same financial year an amount of R 1 506 950.00 was spent on the further development/ extension on the eastern side of Richards Bay cemetery which included paved internal roads.

#### • HORTICULTURE

General maintenance is performed in all suburbs and municipal staffs are assisted by private contractors to maintain various identified areas from time to time.

Large areas of overgrown vegetation were also cleared adjacent to residential, businesses and other public amenities to keep the city clean, prevent crime and to ease future continued maintenance. The Section has also made use of the service of EPWP employees to continue with the rendering of services to the community

#### • ABORICULTURE AND MAINTENANCE

A successful arbour week was hosted by City of uMhlathuze in conjunction with local public schools that included John Ross College and Aquadene Secondary School. The mayor together with other stakeholders planted the tree of the year.

The planting of indigenous trees continued over the past financial year. The department took a different approach this time by planting more developed/matured trees, particularly in the newly developed park at Esikhaleni. Street trees were also planted at Dumisani Makhaye Village and eNseleni. However, the threat of vandalism is still a reality as some of the trees planted were vandalised just a few weeks after they were planted.

#### • PUBLIC OPEN SPACES

A phased park development at Esikhaleni has commenced and an amount of approximately R 1 250 000 was spent over the past financial year. This phased park development is being developed on Erf 396 in eSikhaleni. The department has completed portion earthworks, fenced the area under development and planted various tree species. The next phase will be the installation of paved walkways, walkway lights and permanent barricade fence. Since it is a phased development, various infrastructure will be erected and made available at various stages of development.



Earthworks at eSikhaleni Park Development



Completed fencing and Gate at Park Development





Before any grass can be planted, suitable topsoil had to be brought into the area



Arrival / delivery of well-established trees at the park development site

## • LANDSCAPING : COMMUNITY HALLS

The objective of landscaping projects is to provide the community with an outdoor setting which can be used for recreational purposes. Greening projects are also part of uplifting communities and making them realize that they are part of the global village that we live in. Green spaces are very important in the environment that we live in. By creating green areas we are improving the environment. In many of our projects we strive not only for aesthetic appeal but for functionality and to use plant material that will not only look pretty but last and will be environmentally friendly.

## Garden at eNseleni Hall

### BEGINNING OF



### CURRENT



### • FUTURE PROJECTS

The planning and the conceptual landscaping designs of erven 1370, 2449 and 1432 in Ngwelezane and Dumisani Makhaye Village were completed and the phased development of these public open spaces will commence on the availability of financial resources.

### • ENVIRONMENTAL, ALIEN AND INVADER CONTROL

In co-operation with the KZN Department of Agriculture and Environmental Affairs who provides the funding for the Alien Eradication and Invader Control projects, the uMhlathuze project has spent approximately **R1.8m** on clearing work during the past financial year. The major components that constitutes the expenditure are Wages R 964 144, Transport R 307 164, Herbicide control R 89 262. An area of 2333 hectares has been cleared on follow up and 11 155 person days have been achieved over the past year. Without the aforementioned Department's financial support, Council would not have been able to successfully fund, perform and maintain such projects.



## 2.2 SPORT AND RECREATION

Milestones and achievements during the year under review include the following:

### • SENIOR CITIZENS GOLDEN GAMES

These games which are played by senior citizens are aimed at promoting active ageing. Senior citizens compete in games such as soccer, athletics, ball relay, jukskei, rugby ball throw, duck walk, ring the stick, dress-up and many more. This programme starts at ward to cluster level after which it's UMhlathuze Golden Games. Athletes selected at UMhlathuze Golden Games get to participate at District level after which they represent the District at the Provincial Games. Those selected at Provincial Games get to participate at the National Golden Games. About 18 senior citizens from UMhlathuze participated at the 2015 National Golden Games in Kimberly.



### • SALGA KZN GAMES

SALGA KZN Games are rated as one of the main annual events in the Provincial Sport Calendar. These games are played in all municipalities with an aim of unearthing and nurturing new talent. Athletes are selected during elimination games to represent their respective wards, clusters, local and district municipalities at provincial level. The City provided about 70 percent of athletes to Team uThungulu that participated in the 2015 Provincial Salga Games at Ilembe District Municipality. Through the SALGA Games, uMhlathuze has produced many professional athletes in codes such as Netball, Football and Basketball and Volleyball.



### • EDUCATION AND TRAINING

To capacitate sport administrators, coaches and other technical officials, different workshops were presented. Sport codes which benefitted in these workshops were Football, Chess, Rugby and Karate.

### • DISABILITY SPORT

This programme is aimed at encouraging a healthy lifestyle in people living with disabilities which is done through participation in various sporting activities. A sports day was held at Thuthukani School for the disabled where sport equipment was donated and various sport codes were played on the day.

### • SPORT FACILITIES

The following facilities were completed and handed over to the respective communities during the 2015/16 financial year:

- New ablution facilities and Combi court were constructed at Mandlazini (Ward 4).
- New Combi court was constructed at Ngwelezane (Ward 28).
- New ablution facilities were constructed at eNseleni's Muzuvukile (Ward 6)
- New ablution facilities were constructed at Ndesheni (Ward 13).
- Upgrades were completed at the uMhlathuze Sport Complex Athletics Track

### • POOLS

The swimming pools opened on the 1<sup>st</sup> September 2015 for the new season.

The hot conditions during this season did attract large number of patrons/public. All the swimming pools hosted regular school galas and the Learn to Swim programs. Schools on the outskirts of neighboring towns also visited the swimming pools for school excursions. The Arboretum swimming pool hosted about 40 swim galas while Empangeni pool hosted 10 galas. Pools were fully utilized during the out of season period for Baptism by various churches within the City of uMhlathuze.

## • BEACHES

The amazing weather all year round and the well-protected beaches did attract crowds of people throughout the year. Due to Council having shark nets that extends for kilometers along our stretch of beach, bathers and surfers feel much safer to use the beaches. Tourist from all over the world visited our beaches during the 2015/2016 financial year.

Harsh sea conditions eroded most of our coastline and severely affected the City's main beach. Council invested about R9 million in placing Geobags as a defense mechanism to prevent any further eroding. With the assistance of Transnet, the continuous dredging did allow for the beach to be restored to a certain extent.



Events that took place at the beach during the year:

- 4 surfing competitions
- 1 modeling contest
- 1 surf ski competition
- Several fishing competition
- 4 Skate boarding competition

The festive season averaged about 16000 bathers daily and about 150 000 on New Year's Day. During these days a number of rescues were performed with no serious fatalities during hours. Richards Bay is proud to boast having the most magnificent beach and waves in the north coast also the most spectacular skate park in the country.

The main beach, Alkantstrand, is well guarded and a safe beach throughout the year. There are 3 security guards on patrol during the open time and several SAPS on regular patrol day and night.

The Management team is grateful to the staff for their efforts in the upkeep of Council's facilities within the Amenities section.

## 2.3 ARTS AND CULTURE

### LIBRARIES

The period 1 July 2015 to 30 June 2016 was a busy period for Council's Libraries and is evident in the following statistical data.

#### Circulation:

	Richards Bay	Empangeni	Ngwelezane	Felixton	eSikhaleni	eNseleni	Brackenham
July 2015 - June 2016	88 989	41 900	2 514	2 260	9 439	13 306	6 113

Total for all uMhlathuze Libraries (Circulation)= 164521

#### Visitors

	Richards Bay	Empangeni	Ngwelezane	Felixton	eSikhaleni	eNseleni	Brackenham
July 2015 - June 2016	197 139	201 154	96 124	5 782	85 019	94 229	24 342

Total (Visitors)= 704389

#### Active Members:

	Richards Bay	Empangeni	Ngwelezane	Felixton	eSikhaleni	eNseleni	Brackenham
July 2015 - June 2016 (Average)	15 325	15 653	1414	1 013	9497	5268	3934

Total UMhlathuze Libraries (Active members): 52104



## SCHOOL PROJECTS:

uMhlathuze Libraries have become research hubs. Many learners made use of the internet services and books available at the respective Libraries to do research for projects. The libraries are used throughout the year by many learners and tertiary students for studying.



Internet Section



A number of school visits were also accommodated during the year.

Projects facilitated for difference schools in the uMhlathuze area during the 2015/2016 financial year include:

- Maps
- State of the nation address
- Visual arts
- Mandela Day
- The national budget
- Bridges
- Careers
- The human body
- Substance abuse
- National budget
- The story of Easter
- South African democracy
- South African coat of arms
- Careers
- Substance abuse
- HIV and aids
- Freedom Day
- The electoral procedure in South Africa
- Tuberculosis
- Asthma
- HIV and Aids
- Scientists
- Labour Unions
- Paper making process
- Worker's day/May say
- The electoral procedure in South Africa

- Religions
- Careers
- Democracy and Rights
- Women Politicians in South Africa
- Labour Unions
- Paper making process
- African Union

## DISPLAYS:

Displays play a very important role in promoting the library material. Displays presented include:

### Our Heritage



### Libraries Online



### Nelson Mandela & Nadine Gordimer



## OUTREACH -PROGRAMS (LIBRARY PROMOTIONS)

### • SAVF (Old Age Home), Veldenvlei

One of the outreach Programmes conducted by library staff is the book delivery services that is offered to the mentioned home. A number of retired individuals who are unable to visit the library to get their own books are catered for. Books (based on the individual's request and preference) are delivered twice a month on a block loan to the home. A library card was created against which a block loan is issued. These books are exchanged twice a month to keep them reading.



### • Ntongande High School (Mzingazi)

Staff delivered books and met with a teacher librarian from the school. Assistance was offered with setting up a library.

### • Nawe Zifunze Disabled Centre

Staff met with the management of the centre and established a relationship with this centre that is based in Mzingazi outside Meerensee. The library delivered old magazines as well as a Block-Loan of books based on their preferences. Part of the reason for this will also be involved in literacy programmes with the individuals at the centre.

### • Lungelo Youth Development Centre (Mzingazi)

Library Staff visited this Centre to establish a working relationship based on their needs. The Centre comprises of a Pre-School as well as a Youth development establishment. We reached an agreement to visit and deliver books and also conduct storytelling and book reading activities.

### • Board Games (Chess, Mlabalaba & Snake and Ladders)

With school kids coming through in the afternoons from school and while waiting for their parents to keep them occupied we (library staff) help them with the playing of the aforementioned games. Gaming is used to attract the younger generation to Libraries.



### STORY TELLING/READING

This service is offered in Libraries in an attempt to attract younger children to the Libraries. Parents are happy and children take books home for the parents to read to them.



### • INFORMATION COMMUNICATIONS TECHNOLOGY (ICT)

#### RFID System (Radio Frequency Identification)

This new system has been installed at the library (Richards Bay). It consists of a **RFID Compliant Security** gate; this is situated at the exit to ensure safety of the library stock as anyone exiting the library has to go through the mentioned gate.

- **Self-Check In system** – Also as part of the RFID system, this unit is located next to the library exit and patrons are now able to return their items during and after hours unassisted and they get issued a receipt as proof that their items has been returned.
- **Self-Check IN/OUT System** – This unit that is located inside the library, that looks like an ATM, As the name says, Patrons uses this popular unit to take out books and renew as well as return their borrowed books, it also has a functionality whereby a library user can look at their library account and they are issued a receipt also for all transactions done

### • TOY TRAINING AT ENSELNI LIBRARY

Mzo Zuma from the KZN Library Services Promotions section came to conduct training of library staff and local Crèches (Teachers), on how to take care of the toys, what is their meaning and how to play toys.





## - WORLD PLAY DAY : MZUVUKILE SPORTFIELD (ENSELENI)**

Word Play day took place at u Mzuvukile Sportfield on the 19 May 2016. Educators and Learners from 12 local schools , kids from 8 day care centres , groups of old age centres were all invited to attend this event. The event was hosted by uMhlathuze Librarians supported by the Department of Arts and Culture and KZNPL (KwaZulu Natal Provincial Library) services.



Learners were playing Umlabalaba, chess and gaming. Kids playing with dolls.



Marita Empangeni Library and Mara Felixton Library watching kids while they are enjoying World Play Day.



Fun run: Zinhle with elderly people.



Malusi Radebe and learners were playing basketball



Mara and educator from local day care centre observing learners while they were busy playing with toys





Participants doing aerobics



From left photo: Cllr. Ndimde, Miss Nana Tsatsi, Miss Leonie Wood and Mrs Zanele Nkosi.

## • GAMING AT THE LIBRARY



Learners watch Gaming at eNseleni Library.

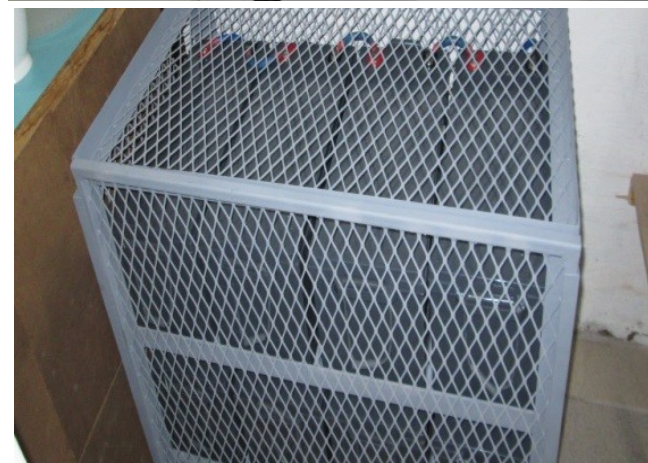
## • TOY LIBRARIES

KZNP Libraries services donated different types of toys to our Libraries



Kids play with different Toys at Enselni Library.

## • SOLAR SUSTAINABLE ENERGY PROJECT: DONATED TO EMPANGENI LIBRARY





## LIBRARY FOR THE BLIND

Esikhaleni Library have the privilege of a **Mini Library for the Blind**. This facility is a valuable aid to a group of blind and partially blind member of the community of Esikhaleni as well a many students who attend Esikhawini FET College. This facility provides for a corner with one Computer set and Print reader (Eye pal). We offer large Print books and talking books for the partially blind as well as Daisy reader machines that we order from **NATIONAL LIBRARY FOR THE BLIND**.

This service is very helpful in our communities, it makes those who are affected feel that they are part of the community and boost their self esteem and developes their reading skills.

## ESIKHALENI LIBRARY EXTENTION:

With large numbers of patrons added in the system every month, and many visitors who are non members of the library visiting our library for internet cafe, Esikhaleni library is one of the busiest libraries in the City of Umhlathuze . The library was overcrowded on a daily basis. This gave way to the need to extend Esikhawini Library. The extension of the library started on October 2014 and like with any other project there were sometimes problems which led to delays. Work was completed in November 2015.



## AIR-CONDITIONER AT NGWELEZANA LIBRARY AND NSELENI LIBRARY:

### Ngwelezana Library;

New air conditioners were installed 3 in the library, 1 in the auditorium, 2 in the group activity room and 1 in the study room 7 in total.

### Nseleni Library:

New Air conditioner was installed 5 inside the Library, 1 in the workroom, 1 Librarian office and 1 in study Room, 8 in total.

### New Library - Aquadene

A new, state of the art Library was completed in Aquadene and handed over to the Community on 30 June 2016 during a formal handover.

A number of KZN Provincial delegates, the Mayor of Umfolozi Municipality and Umhlathuze Council Officials were present at the event that was chaired by Cllr Dawood.

Construction of the 750m<sup>2</sup> library commenced on 28 July 2014 and was completed at a total cost of R7 045 537 on 22 September 2015.

KZNPL (KwaZulu Natal Provincial Libraries) equipped the Library by provided the shelves, furniture, books and IT equipment.



Aquadene Library Entrance



Main Library Area



Internet Cafe



Children's Section



## MUSEUM

The Museum once again had a full program during the period 1 July 2015 to 30 June 2016. Past during July and August the museum displayed a selection, of the permanent Artwork that the Museum owns. Works included those of: Diamond Bozas that is 96 years of age and still painting, Paul Sibisi, Philemon Sangweni, Willis Nxumalo and many more, local artists.

The Museum invest in purchasing local artists works: these works are usually sourced through major galleries and displays, and of very high standard. The value of these works increases every 5 years making it a valuable investment for the Municipality.

During the month of September Zulu Craft and Zulu Beading was showcased. These works were all made by a local entrepreneur, Mr. Linda Masinga that often teaches other people the skill of beading through mediums like Zikulise.

### October and November 2015

The Museum showcased the art and craft work of the WI (Woman's Institutes) of the greater Umhlathuze and UThungulu area.

The following groups displayed a variety of magnificent works.

#### - Empangeni / Inkanyezi WI:

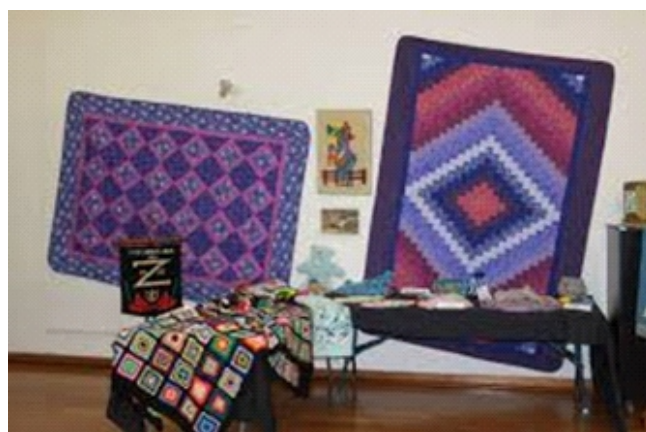
Quilts, crochet items, Mosaic, Patchwork items, preserves, Machine embroidery and much more.

#### - Mtubatuba WI:

They had an array of very colorful patchwork quilts and many crochet items like miniature dolls, blankets etc.

#### - Richard Bay WI

This group consists of two smaller groups, one evening and one day group. The following could be found amongst their items: Sugar Art, hand embroidery, patchwork quilts, handbags made from different mediums, beadwork



### December 2015 – Mid March 2016

This was once again time for the annual **Local Artist Exhibition**. We have had wonderful support from the community in displaying their works at the Museum. Works from some of the people:

Mrs. Mandla Mlotshwa a senior lecturer at Unizul displayed some of his more modern works. Mags Iyer, one of council's employees have also submitted several paintings for display.

Mr. Zulu, the Art Educator at the Empangeni High Schools work can also be displayed.





## March – May 2016

Another selection of works owned by the Museum/ Municipality went on display during these two months. Due to environmental damages that may occur: sunlight, heat, moisture etc. works should be kept in a dark area/ store room and only be displayed at intervals.



The display was extended due to public demand.



## June - July 2016 (High School Section)

The Zululand Eisteddfod takes place Bi- annually. All the schools in the greater UThungulu/ North Coast gets invited to participate and compete against each other. We had entries as far afield as Pongola that brought their works to be displayed, and have nearly 300 works on display at the moment.



## HALLS AND THUSONG CENTRES

In 2009, the section administered 11 Functional halls which fall under townships and towns. Council took a resolution of partnership with traditional Authorities to take over the existing rural halls, refurbish and manage them. Partnership with Amakhosi was developed and strengthened by signing the agreements to take over the halls before revamping or refurbishment.

The revamping and refurbishment of these halls has been an ongoing project and during the 2015/2016 financial year the following halls were attended to:

### • KWA-KHOZA TRADITIONAL AUTHORITY:

Bhejane Hall (Ward 5): The 2015/2016 budget provided for R914 000 that was allocated for the construction of a Guard House and 3 Offices and refurbishment of the exterior Ablution Facility. The project was completed.

#### • KWA-MKHWANAZI TRADITIONAL AUTHORITY:

uMsasandla Thusong Service Centre (Ward 10): an amount of R 1 330 000 was allocated for development of the Thusong Centre. The design plans for the extension of the hall and the library were done and approved in the financial Year 2014/2015. The refurbishment of the centre is in progress at 95% completion for the 2015/2016 financial year.

Ntuze Hall (Ward 11): An amount of R 2 037 511 was allocated to this project in 2015/2016 financial year for the refurbishment of the hall that was completed.

#### • KWA-MTHIYANE TRADITIONAL AUTHORITY:

Mandlazi Hall (Ward 4): an amount of R1 100 000 was used for refurbishment which included tiling, painting, a Stage, Fencing, Roof, Guard House and a 24 hour Security Guard during the 2012/ 2013 financial year. The hall thereafter burned down and insurance compensation to the amount of R1400 000 was received. The refurbishment project is currently at tender stage.

#### • NGWELEZANE HALL (WARD 27):

Funds were provided in the 2013/14 Financial year for the extension of the main hall, plans for additional ablution Facilities, Councilor's Office and Administration Offices. Due to a shortfall in the funding the project could not be completed until additional funds became available in the 2015/2016 budget to supplement the funding requirements for completion. The project stood at 60% complete on 30 June 2016.

#### • VELDENVLEI HALL: (WARD 3):

R1 690 000 in total was provided for in the 2014/2015 and 2015/16 budget for refurbishment which included offices, tiling, roof, ablution facilities, ceiling, lighting, Air conditioners, paving and signage.

#### • PORT DUNFORD COMMUNITY SERVICE CENTRE (WARD 18):

An amount of R 4 000 000 (Four Million Rand) which was part of the Private Public Partnership between Council and Richards Bay Minerals was used for the revamp of the centre Municipality added R450 000 for installation of electricity. Project completed and Handed over by the Minister of Minerals Recourses to uMhlathuze Municipality.

Currently the section is responsible for a total of 21 halls that are situated in urban, rural and township areas. The halls are used frequently by community members for weddings, funerals, church services, Conferences, arts and cultural activities Anniversaries etc.

### ARTS AND CULTURE PROGRAMMES/EVENTS

The following programmes were assisted with/presented during the 2015/2016 financial year:

#### - 1 July to 30 September 2015:

Assistance in the facilitation of 2 Arts and Culture events were provided, i.e. Umkhosi Womhlanga as well as the Heritage Day in September 2015.

#### - 1 August to 31 December 2015:

Assistance in the facilitation of 6 Events, i.e. Beach festival, SATMA, Afrika Rize Ragae Fest, Ingoma Fest, Uthungulu Last Dance and Mzansi Perfect Creations: Spring Tour Music Fest were provided.

#### - 1 January to 31 March 2016:

The Arts and Culture Summit was successfully hosted on 31 March 2016.

#### - 1 April to 30 June 2016:

6 Arts and Culture Events were hosted during the 4th Quarter which included:

- A workshop with KZN Music House on 15 and 18 April,
- Maskanda Competition on 30 April,
- Talent Search through KZN Music House on 7 May,
- Gospel Competition on 21 May,
- World Play Day (Libraries) on 27 May; and
- Educational Youth Festival on 19 June.

On 23 June the Port Durnford Thusong Services Centre was handed over as part of the Project outreach programme.

## 3. PUBLIC SAFETY AND SECURITY

### 3.1 TRAFFIC

The Traffic Department is divided into:

- The Law Enforcement Division made up of various enforcement teams;
- The Administrative Support Section or Admin made up of clerks; and
- The (Traffic) Communications Centre made up of control room operators.

### VISION

**“Striving to be the best law enforcement agency provincially and beyond.”**

### MISSION STATEMENT

“To do it right, the first time and all the time by effectively enforcing law and promoting road safety through education and other means in a manner consistent with the upholding of our constitutional obligations as enshrined and entrenched in the justiciable Bill of Rights and thus promoting good governance principles.”

### DEPARTMENTAL OBJECTIVES AND VALUES

- Saving lives through effective law enforcement and road safety education.
- Providing a free and safer environment for the local community and all citizens within the City of uMhlathuze through effective law enforcement and crime prevention activities.
- Easy access to law enforcement services by all people.
- Efficient and effective use of resources allocated to the department.
- To foster a culture of law abiding citizens and patrons.
- To realise value for money spent.

### TRAFFIC OPERATIONS

The Traffic Section has successfully managed both minor and major events during the past year. Below are a list of major events:

#### PARTICIPATION

##### March Against Police Killers.

On the 20th February 2016 the local Traffic officers marched against the killing of police officials, educators and traffic officers. The traffic officers came out in their numbers in searing summer heat and marched in uniform along Bullion Boulevard towards the Veldenvlei Sports Complex. At the Sports Complex, senior police officials spoke strongly against these killings.

##### National Wreath laying

On the 26th November 2015 the Traffic department was represented in the first ever National Wreath Laying Ceremony which was held at Boekenhoutsloof Traffic Training College in Pretoria. The ceremony was held in honour of the traffic officers who died in the line of duty nationally. The Ceremony was planned by the Road Traffic Management Corporation (RTMC) in partnership with ITMPO-SA and ILOSA.

#### Operation Oxide

On the 31st of August 2016 Traffic participated in Operation Oxide at the Port – This is an exercise which is aimed at testing readiness in the case of an emergency or disaster taking place at sea such as a hostage situation in the ocean. Other stakeholders which were involved are Disaster Management, SAPS, Traffic, TNPA, EMRS, Port Health, SANDF and French Navy, The Bay Hospital and Ngwelezana Hospital. Although Traffic was ready in place the exercise was called off when real injuries were sustained by those at sea during the exercise.

#### Water Distribution Project

On 5 March 2016 a Water Project to supply water to the people of Macekane was undertaken by the City. Traffic had to escort the Water Tanker and provide security during the delivery of the water to the community.

#### Logos Hope or OM Ship- A Regional Event of the Africa Programme

On the 4th May 2016 to the 18th May 2016, the Richards Bay Port Committee comprising of pastors from churches within the City of uMhlathuze, hosted the Logos Hope or OM ship at the Small Craft Harbour. This ship (Logos Hope or OM Ship) is central to the concept of a floating library and ship ministry which is part of a global Christian Training and Outreach Movement that began in 1970.

Since its launch, the OM ship have visited over 500 different ports in 151 countries and territories and welcomed over 44 million visitors on board. This once in a lifetime opportunity to go on board the OM Ship was experienced by the Richards Bay local community. The ship visited Richards Bay as an Africa programme and regional event. Its goal is to bring knowledge, help and hope to the people of the world through the medium of supplying vital literature, encouraging cross-cultural understanding and training young people for more effective life and service, providing needed relief, and sharing a message of hope in God wherever there is an opportunity. The OM ship visited the Richards Bay Port and was opened hundreds of visitors each day of its visit.

#### Impala Substation Emergency Exercise

Traffic attended an emergency response exercise which took place on the 11th of February 2016 at Athene. The exercise is a statutory requirement of the National Keypoints Act. The Act requires that an emergency exercise be carried out annually to ensure the objective of establishing rapid response to real emergency situations at the substation.

#### INCIDENTS

##### Peace Office Assault

On the 12th of October 2015, the case of the suspect who assaulted a local traffic officer whilst on duty set down for trial and the accused was found guilty of assault of officer with intent to cause grievous bodily harm. The convicted assaulter was sentenced to a fine of R3000-00 or 12 months imprisonment.

##### Crash-in Incident.

On the 3rd of July 2015 on the John Ross Parkway in the vicinity of Alumina Allee and R34 intersection, a Toyota minibus taxi, ploughed into a clearly marked roadblock area on the John Ross (R34) in broad daylight. Two officers who were on duty at the roadblock were struck and sustained physical injuries. The Driver was charged with reckless or negligent driving and having entered into a plea bargaining agreement with the state, was convicted and sentenced.



## Demolition of Illegal Structures

In April/May Traffic officers assisted in the execution of demolition plans by Public Safety and Security to demolish buildings which were illegally constructed on Council land near the police station in Ngwelezana. The structures were on site 1273 and 1241 in Ngwelezana.

During this demolition exercise a suspect who interfered with the demolitions and drew a firearm at the officers was arrested and detained. The suspect is the Induna of a Tribal Council of KwaMadlebe tribal authority who is believed to have allocated the sites to some people under the guise of these sites being owned by the tribal authority. The matter is sub judice.

## Stop Sign Case

The much publicised incident of a motorist who failed to stop at a stop sign in Meerense was finalised by the court. The incident sparked public attention on YouTube, Facebook and the Zululand observer showing videos of traffic officers apprehending the female suspect. Although there was much speculation about the legality of the actions of the traffic officers. The officers had simply done their job and arrested the convicted driver for violation of traffic laws and resisting the arrest after their attempt to issue a fine to the motorist was resisted. The driver was convicted after admitting guilt.

## ENFORCEMENT STATISTICS

### Drunken Driving Arrests

More than fifty (50) drivers suspected to be under the influence of alcohol on our roads were arrested by the traffic officers and handed over at various police stations.

## ROAD SAFETY

### Child-In Traffic Programme

This programme has continued to educate learners on the use of roads and crossing at school zones. As can be seen in the quarterly reports hundreds of school children were reached by the programme.



## Phelophepha Train

Transnet Foundation, Health Portfolio, were assisted by traffic in Staging Phelophepha program may I once again express at Empangeni Station between 10th and 21st of March 2014. The staff of Transnet have been encouraged by the patient turn-out as well as the high level of community involvement that was achieved and the number of people reached through the various outreach programmes and on-board services in the train. Appreciation was expressed by means of a letter of appreciation.

## TRAFFIC CONTROL

The 1st of January 2016 festivities brings a long a traffic grind to the free flow of traffic around the beach roads. Due to the capacity of the roads and the immense rise in traffic volumes during the festive season this day becomes nightmarish for the Traffic department. However a dedicated traffic team came out in numbers and manned various traffic points and roadway sections which contributed to the great success in bringing about mobility during the festive event. With no rain distracting this time, more traffic poured in at the Alkantstrand beach areas and at some point the inlets had to be blocked off. This has gone down as another successful effort by the Traffic department because the flow was maintained fluid despite the challenges.



## EVENT SECURITY

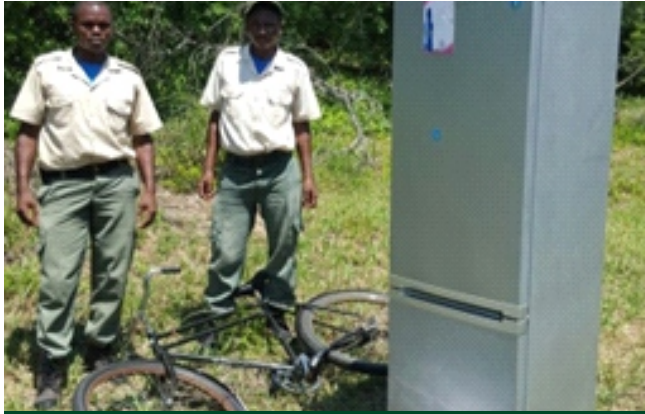
Numerous events were attended as can be seen in our quarterly reports and traffic officers assisted with traffic marshalling at the entrances and roadways, traffic control and direction, parking and free flow of traffic.

All the protests that came to the section's attention were attended to and SAPS was assisted throughout the event stages.

## 4.2 SECURITY

The security Section mandates is to protect Councils assets and property:

- Security at Cash Offices and Electrical Substations
- Security at Council Major Buildings and Sites
- Security at Municipal Halls, Parks and Sports Facilities
- Diverse Security Services
- Security at Water Treatment works and Sewage pump stations and related amenities



Security Company recovering stolen goods in the bushes



Security Company guards on parade on Beach on 1 January 2016

# INFRASTRUCTURE AND TECHNICAL SERVICES



**Tumelo Gopane**  
Deputy Municipal Manager

## 1. WATER AND SANITATION SERVICES (WSS)

The City of uMhlathuze in its capacity as the Water Services Authority and juristic entity is compelled by the following acts:

### Water Services Act 107 of 1997

To provide for the rights of access to basic water supply and basic sanitation

#### Recognising

- the rights of access to basic water supply and basic sanitation necessary to ensure sufficient water and an environment not harmful to health or well-being;
- that in striving to provide water supply services and sanitation services, all spheres of Government must observe and adhere to the principles of co-operative government; and
- that the provision of water supply services and sanitation services, although an activity distinct from the overall management of water resources, must be undertaken in a manner consistent with the broader goals of water resource management.

#### Ensuring

- that the quality of the City's water resources, portable water and wastewater systems are continually monitored in an endeavour to maintain quality and evaluate against set standards/specifications/guidelines.

The section comprises 2 divisions, namely Infrastructure Maintenance and Scientific Services.

### Infrastructure Maintenance (Urban & Rural) is divided into the three following areas:

- Northern: Richards Bay and surroundings
- Southern: Esikhaleni, Dlangezwa and surroundings
- Western: Empangeni, Ngwelezane and surroundings

#### Infrastructure Maintenance- Northern

##### Water reticulation network

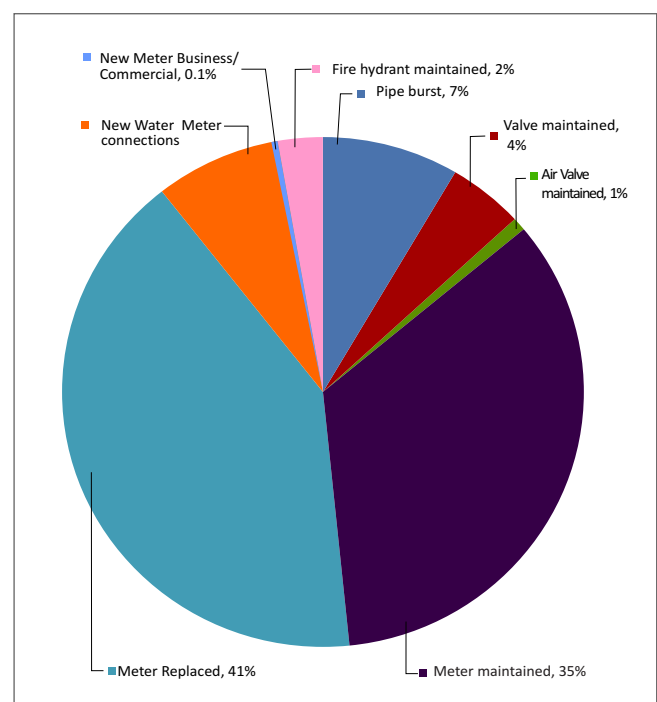
Asbestos Cement (AC) pipes installed from the early 1970s at the City of uMhlathuze's water network are used to reticulate water to the community. AC pipes were installed mainly because they were an affordable, non-corroding alternative to metallic pipes in areas prone to corrosion.

AC pipes deteriorate as a result of a variety of factors, including the environment, operational conditions over the years with little or no maintenance attention and when stressors such as pressure and soil bearing exceed their strength. These pipes deteriorate by degradation depth (thickness) of the inner and outer walls, thus compromising the overall strength of the pipe to an extent that the pipe size itself contributes to breakages if differential pressures between internal pressures due to water and soil bearing are not in equilibrium. In other words, factors such as vibrations can cause a tilt from the equilibrium, thus posing stress to the already deteriorated pipe.

Pipe degradation depths are correlated with pipe residual strengths, microstructure characteristics, pipe age, water quality, and flow dynamics due to unevenly eroded internal surface of the pipe and soil properties.

Furthermore, constructed structures on pipe servitudes or grounds compromise the integrity of the AC pipe, necessitating re-routing.

Figure 1 and table 1 below summarize the annual water infrastructure maintenance for 2015/2016. The most common cause for meter replacements was damage by vehicles, increased tripping of water meters, and burst pipes as a result of ageing infrastructure.



**Figure 1: Water Infrastructure Maintenance for 2015/2016 financial year**



**Table 1: Water Infrastructure Maintenance for 2015/2016 financial year**

Ward	Pipe burst	Valve maintained	Air Valve maintained	Meter maintained	Meter replaced	New Water Meter connections	New Meter Business / Commercial	Fire hydrant maintained
1	15	14	0	109	100	16	0	7
2	5	2	1	69	98	8	1	1
3	7	12	1	72	51	5	0	9
4	24	25	9	183	130	73	1	4
5	19	5	1	51	156	45	0	3
6	26	0	0	25	42	11	0	0
7	7	0	0	18	25	4	0	0
8	14	5	0	34	41	0	0	0
<b>TOTAL</b>	<b>117</b>	<b>63</b>	<b>12</b>	<b>561</b>	<b>643</b>	<b>162</b>	<b>2</b>	<b>24</b>
<b>1584</b>	<b>7%</b>	<b>4%</b>	<b>1%</b>	<b>35%</b>	<b>41%</b>	<b>10%</b>	<b>0.1%</b>	<b>2%</b>

### Sewer reticulation network

There are two main causes of blockages and collapse or failure of pipes in a sewer system, namely:

1. Introduction of foreign unsolicited objects or materials into the sewer system, eg. through open manhole covers; and
2. corrosion due to hydrogen sulphide.

Open manholes have been a consequence of theft of steel manhole covers, vandalism of concrete covers and the effect of hydrogen sulphide on concrete covers. Since most sewer manholes are constructed from concrete, bricks and mortar, hydrogen sulphide attacks mortar thus resulting in a weakened or compromised manhole structure, resulting in the bricks falling into the system.

Procurement of polymer plastic covers is on-going to curb factors that result in open manholes.

From table 2 and figure 2 below, the most common cause of sewer blockages is the dumping of foreign objects into the sewer system, water entering manholes and manholes being damaged by trucks.

**Table 2: Sewer Infrastructure Maintenance for 2015/2016 financial year**

Sewer Infrastructure Maintenance Annual - 2015/2016					
Ward	Sewer blockages/ overflows	Sewer pipe jetting	Manhole repaired	Sewer connections repaired	New Sewer connection
1	114	5	7	3	1
2	94	9	3	3	1
3	162	4	7	0	0
4	117	4	9	5	1
5	0	0	0	0	0
6	0	0	0	0	0
7	7	0	0	0	0
8	296	26	0	5	0
<b>TOTAL</b>	<b>790</b>	<b>48</b>	<b>26</b>	<b>16</b>	<b>3</b>
<b>883</b>	<b>89%</b>	<b>5%</b>	<b>3%</b>	<b>2%</b>	<b>0.3%</b>

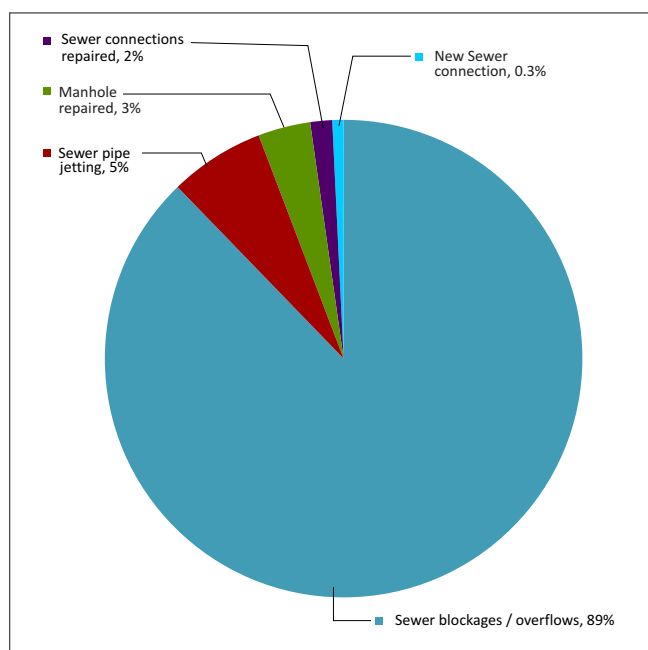


Figure 2: Sewer Infrastructure Maintenance for 2015/2016 financial year

### Infrastructure Maintenance- Southern

The following projects were undertaken by the division during the financial year:

Project Name	Project Description	Comment
Esikhaleni Water Pipe improvement	H1 & H2 section	90% Completed
	J1 & J2 section	95% completed
Mkhwanazi North bulk water line (315mm)	Installation of bulk line	100% completed
Mkhwanazi North	Replacement and Upgrading of reticulation	100% completed
Water Pressure Management	Installation of PRVs	100% completed

### Water Shutdowns

The major water shutdowns for the period can be summarized as follows:

Table 4: Major water interruptions for the 2015/2016 financial year

Failure description	Date	Duration to repair	Pipe Size	Area affected
Burst Pipe - 364864	01/07/2015	6hrs	150mm	Ward 19 Rural area
Burst Pipe - 356820	07/07/2015	4hrs	110mm	Ward 22 Rural area
Burst Pipe - 358090	15/07/2015	5hrs	110mm	Ward18 Rural area
Burst Pipe - 358820	23/07/2015	4hrs	110mm	Ward 20 Rural area
Burst Pipe - 361952	17/08/2015	3hrs	50mm	Ward 18 Rural area
Burst Pipe - 362446	22/08/2015	4hrs	140mm	Ward 19 Rural area
Burst Pipe - 364853	11/09/2015	4hrs	90mm	Ward 19 Rural area
Burst Pipe - 368732	20/10/2015	8hrs	250mm	H 1858
Burst Pipe - 368681	19/10/2015	6hrs	110mm	A 131
Burst Pipe – 369651	27/10/2015	5hrs	63mm	A 57
Burst Pipe - 370870	07/11/2015	6hrs	200mm	J 1091
Burst Pipe - 370823	06/11/2015	11hrs	90mm	H 2373
Burst Pipe - 370837	07/11/2015	5hrs	200mm	J 1091

Burst Pipe - 373250	26/11/2015	3hrs	110mm	H 3032
Burst Pipe - 371013	09/11/2015	2hrs	50mm	Ward 10 Rural area
Burst Pipe - 371290	09/11/2015	11hrs	200mm	Ward 18 Rural area
Burst Pipe - 379201	14/01/2016	4hrs	350mm	J 2760
Burst Pipe – 384042	17/01/2016	4hrs	200mm	H 3142
Burst Pipe - 386975	06/02/2016	4hrs	110mm	Vulindlela Next to Ezitolo
Burst Pipe- 384530	20/02/2016	4hrs	110mm	A 136

#### Operations and maintenance- Potable Water Infrastructure Network

Table 5: Operations and Maintenance on the Potable Water Infrastructure for the 2015/2016 financial year

Ward	Pipe burst	Water leaks/ Mainline Maintenance	Main line maintenance	Valve Maintenance	Building Maintenance	Meter maintained	Meter replaced	New Water Meter connections	Fire hydrant maintained
10	1	829	5	1	1	22	38	6	0
11	6	554	1	4	0	11	15	3	0
12	0	332	0	2	14	0	25	14	0
13	0	271	0	3	0	0	9	1	0
14	0	366	0	2	0	0	7	2	0
15	0	329	2	6	9	0	34	15	0
16	2	183	4	9	30	58	97	0	1
17	0	177	0	4	40	25	92	0	0
18	5	696	4	1	0	0	78	35	0
19	6	259	4	7	40	40	130	7	0
20	2	263	1	2	41	41	125	0	0
21	0	181	1	3	58	58	111	1	1
22	1	184	0	3	60	60	107	0	0
30	0	37	1	9	1	1	22	2	0
<b>TOTAL</b>	<b>23</b>	<b>4661</b>	<b>42</b>	<b>56</b>	<b>294</b>	<b>316</b>	<b>890</b>	<b>86</b>	<b>2</b>
	<b>2%</b>	<b>40%</b>	<b>3%</b>	<b>5%</b>	<b>10%</b>	<b>10%</b>	<b>20%</b>	<b>8%</b>	<b>2%</b>



## Operations and Maintenance - Sanitation Infrastructure Network

Table 6: Operations and Maintenance on the Sanitation Infrastructure Network for the 2015/2016 financial year

Ward	Sewer blockages / overflows	Sewer pipe jetting	Sewer mainline maintenance	Manhole Inspection	Manhole repaired	Sewer connections repaired	New Sewer Connections	Sewer Mainline Inspection
10	2	1	0	0	2	0	0	0
11	0	1	0	1	0	0	0	1
12	0	0	0	10	0	0	0	0
13	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0
15	33	7	2	0	2	0	0	0
16	156	11	0	5	0	0	0	5
17	153	0	0	9	0	0	0	15
18	0	0	0	7	0	0	0	0
19	207	12	5	14	1	0	0	7
20	204	18	9	18	1	0	0	7
21	181	5	3	9	0	0	0	10
22	171	3	3	8	1	0	0	2
30	78	2	2	4	1	0	0	4
<b>TOTAL</b>	<b>1185</b>	<b>60</b>	<b>24</b>	<b>85</b>	<b>08</b>	<b>0</b>	<b>0</b>	<b>51</b>
	<b>60%</b>	<b>10%</b>	<b>3%</b>	<b>5%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>	<b>20%</b>

## Southern Depot Statistics 2015 - 2016 Percentages

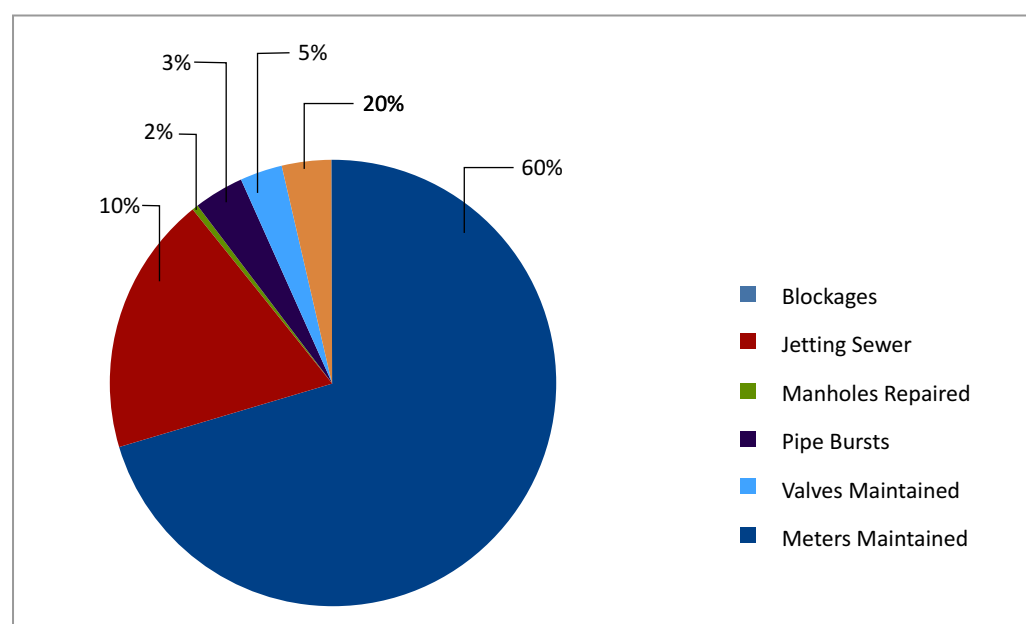


Figure 3: Operations and Maintenance on the Sanitation Infrastructure Network for the 2015/2016 financial year

## Infrastructure Maintenance- Western

Table 7: Operations and maintenance- Potable water Infrastructure Network

Ward	Pipe burst	Valve maintained	Air Valve maintained	Meter Maintained	Meter replaced	New Water Meter connections	Fire hydrant maintained
9	4	17	10	194	157	28	20
23	56	22	17	216	159	140	13
24	7	5	9	186	189	5	10
25	3	9	9	141	149	12	12
27	2	9	3	111	141	11	11
28	1	6	4	89	122	8	12
29	1	3	4	123	127	13	0
<b>Total</b>	<b>74</b>	<b>73</b>	<b>56</b>	<b>9603</b>	<b>1044</b>	<b>217</b>	<b>78</b>
<b>2502</b>	<b>2.96</b>	<b>2.91</b>	<b>2.24</b>	<b>8.37</b>	<b>41.73</b>	<b>8.67</b>	<b>3.12</b>

The table above depicts the operations and maintenance on the potable water infrastructure.

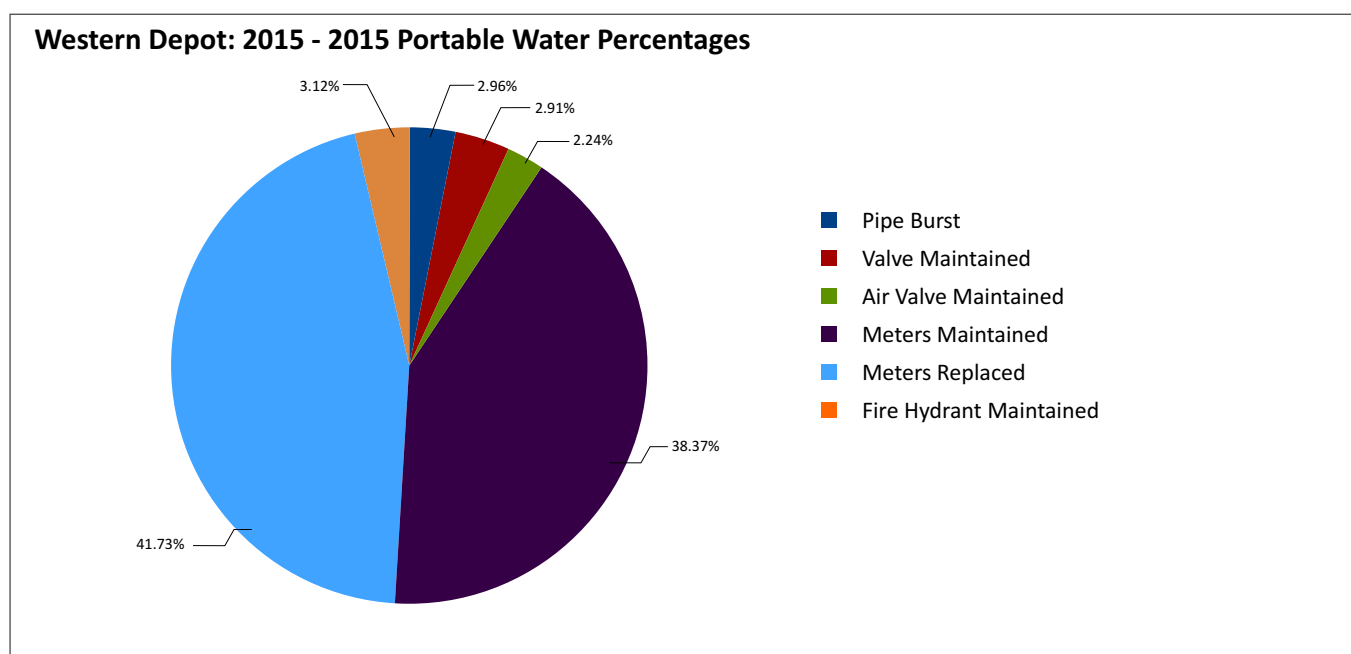


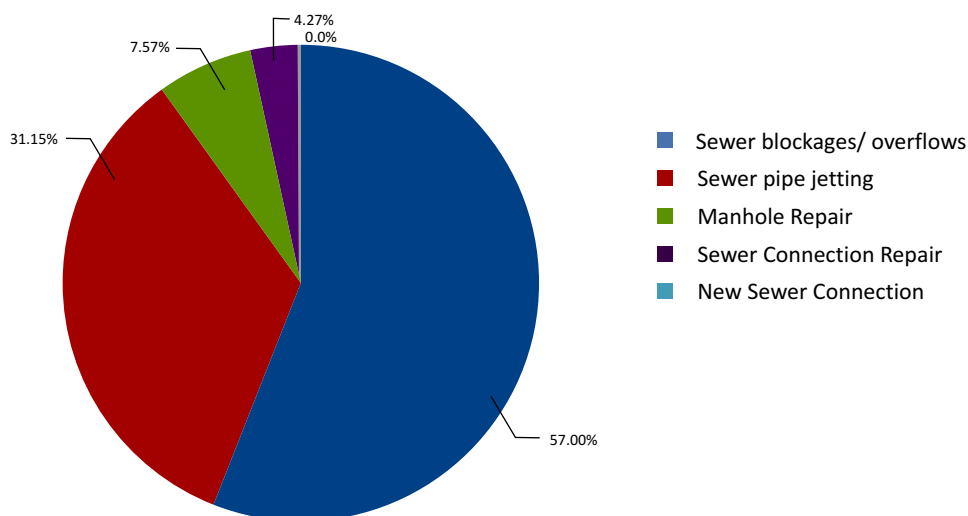
Figure 4: Portable water Infrastructure Network Chart

The table below depicts the operations and maintenance on the sanitation network infrastructure.

Table 8: Operations and Maintenance - Sanitation Infrastructure Network

Ward	Sewer blockages/ overflows	Sewer pipe jetting	Manhole repaired	Sewer connections repaired	New Sewer connection
9	255	126	43	15	0
23	272	145	27	14	0
24	70	19	1	1	0
27	174	115	32	25	0
28	230	142	30	20	0
<b>Total</b>	<b>1001</b>	<b>547</b>	<b>133</b>	<b>75</b>	<b>0</b>
<b>1756</b>	<b>57%</b>	<b>31.15%</b>	<b>7.57%</b>	<b>4.27%</b>	<b>0%</b>

**Western Depot 2015 - 2016 Sanitation/ Sewer Percentages**



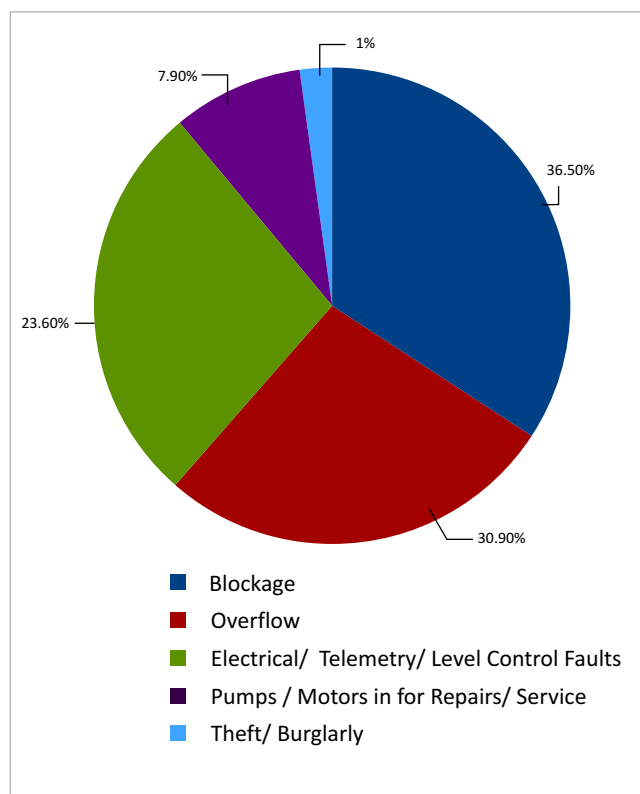
**Figure 5: Sanitation Infrastructure Network Chart**

#### Mechanical Maintenance

##### Operations and Maintenance of Water and Sewer Pumpstations

The maintenance section is responsible for reticulation infrastructure network. 12 pump stations drain to the Empangeni system, covering areas of Felixton, Central Park, Hillview, uMhlathuze village, Wilton Park, Empangeni CBD, Empangeni rail. Felixton pump stations drain to Vulindlela Wastewater Treatment plant, Dube village Pump Station Pumps to Esikhaleni Wastewater Treatment Plant. 45 pump stations drain the Richards Bay system; 11 in Alton, 19 in Meerensee, 2 in Birdswood, 6 in Arboretum & Veldenvlei, 1 in the Richards Bay CBD, and 3 in Aquadene & Brackenham.

For the Richards Bay system, the sewer is pumped into 2 Macerators; Alton and Arboretum and then pumped to Mhlathuze Water line to the sea. 12 pump stations drain the Empangeni system, covering areas of Felixton, Central Park, Hillview, uMhlathuze village, Wilton Park, Empangeni CBD, Empangeni rail. The maintenance scope also includes the swimming pool pumps and ground water pumps in Richards Bay.



**Figure 6: Pump stations Maintenance for 2014/2015 financial year**



## Customer Services, Retail and Marketing

### WATER CHALLENGES

The persistent drought has left the Goedertrouw Dam at 22.55% water level, leaving only 10% for human consumption. Also resulting from drought conditions is the fact that Lake Mzingazi and Lake Cubhu are averaging at 10% and 30% levels respectively. The water levels are in a critical state and drastic measures were required in terms of water demand management.

The City, during the reporting period, implemented level 4 water restrictions as summarized below:

Sector	Agriculture	Domestic use	Industrial
Level 1	50%	10%	5%
Level 2	60%	20%	10%
Level 3	70%	30%	10%
Level 4	80%	40%	15%

### Water Awareness Campaign

Day 1 14/03/2016	Day 2 15/03/2016	Day 3 16/03/2016	Day 4 17/03/2016	Day 5 18/03/2016	Day 6 19/03/2016	Day 7 20/03/2016
Phalane Primary School.	Mkhwanazi Traditional Authority	Qambokwethu Primary School  Zenzeleni Mashamase High School	Gobandlovu Primary School  Esikhaleni Senkosi High School	Manzimpofu Primary School	Walk for water: 3km Walk - Richards Bay CBD	Qhubandaba Primary School

During the Walk for Water event, more than 400 Zululanders donated 5 litre bottles of water used to assist water stricken areas. The aim was to create awareness about the severity of the drought crisis and to educate the community on water saving measures. The event was jointly organised by the City of uMhlathuze, Mhlathuze Waterboard, South 32, RBCT, Tronox KZN Sands, IDZ, Foskor, Royal Haskoning DHV and the Zululand Observer. The media partners included the Zululand Observer and 1KZN TV.

An additional 5 Jojo tanks were donated to various schools as part of a competition, and more than 3000 litres of water were distributed as part of the ShareWater campaign.

### Scientific Services

The City of uMhlathuze in its capacity as the Water Services Authority and juristic entity is compelled by the Water Services act 107 of 1997 and National Water act 36 of 1998 to ensure that the quality of the City's water resources, potable water and wastewater systems are continually monitored in an endeavour to maintain quality and evaluate against set standards/specifications/guidelines. The Scientific Services division is responsible for the effective management of this function within Water and Sanitation Services.

Various key functional areas within the division contribute to the reliability and credibility of an effective water quality management system. The two major units of the Scientific Services is the Laboratory and Water Quality Management sections. Together these sections exist in a cooperative relationship in an endeavour to combat water pollution.

### Laboratory Testing Services (Chemistry & Microbiology)

Formal recognition that laboratories are competent to carry out specific tasks/tests is given by the South African National Accreditation System (SANAS) in a form of accreditation. Although achievable by all labs, SANAS accreditation historically believed to be a status awarded to only large laboratories (centred on the major metropolitan areas).

Department of Water Affairs (DWA) with sector partners developed the strategy to ensure institutions use laboratories deemed competent & produce credible results to manage and report on their drinking and wastewater quality. Strategy denotes a process whereby DWA shall approve the use of laboratories competent to analyse drinking- and wastewater samples.

The laboratory is currently undergoing method development and validation as well as phased implementation of ISO 17025. The laboratory is also participating in Proficiency Testing schemes for Chemistry and Microbiology in order to continually improve accuracy and precision when compared to other laboratories.

### Laboratory Testing

**Table 10: Number of Tests per Sample Type from July 2015 to February 2016**

CHEMISTRY	
Sample Type	Total Number Of Analysis
Lakes (Cubhu & Mzingazi)	3600
Surface Water	5050
Sewage	2467
Drinking Water	3
Ground Water	1232
Grand Total of analysis per sample type	12352

**Table 11: Number of Tests per Sample Type from July 2015 to February 2016**

MICROBIOLOGY	
Sample Type	Total Number Of Analysis
Lakes (Cubhu & Mzingazi)	200
Surface Water	383
Drinking Water	1
Ground Water	56
Grand Total of analysis per sample type	640

#### Laboratory Achievements

- Second phase development of laboratory information management system (LIMS). LIMS is a database where all laboratory information, including test results are kept;
- extension of the Scientific Services Building with new offices and new laboratories;
- construction of new Microbiology laboratories for water and
- procurement of new Microbiology laboratory equipment e.g. Biosafety Cabinet- a cabinet equipped with HEPA filter(s), designed to provide personnel or both personnel and product protection from bio hazardous materials that are used as reference materials in the Microbiology lab.

#### Water Quality Management

The water quality functions include:

- Water & wastewater quality monitoring as per the Water Quality Monitoring Program (WQMP);
- drinking Water Quality Management (including consumer complaint management);
- Industrial Effluent Permit Management;
- Industrial Pollution Management;
- Industrial Inspections;
- Water pollution incident investigations; and
- Stormwater Inspection and Pollution Management.

Samples from various sources are collected for analysis of key parameters to determine water quality.

**Table 12: Total samples from July 2015 to June 2016**

SOURCE	SAMPLES
Surface Water (Industrial)	288
Surface Water (Pump station)	339
Surface Water (Urban/Rural Suburbs)	56
Surface Water (Rivers/Streams/Canal)	88
Industrial Effluent	304
Surface Water (Lakes)	600
Alton Landfill (Boreholes)	168
Coastal Water (Blue Flag)	68
External Service Provider (Sampling only) (MW)	150
Richards Bay Cemetery (Boreholes)	18
<b>GRAND TOTAL</b>	<b>2079</b>

#### Drinking Water and Wastewater Systems

Mhlathuze Waterboard is responsible for the water and wastewater purification and distribution function. An extensive water quality-monitoring program for drinking water and wastewater quality has been implemented. The monitoring program contains the following:

##### a) Water Treatment Works:

- Esikhaleni Water Treatment Works
- Mzingazi Water Treatment Works
- Ngwelazane Water Treatment Works

##### b) Drinking Water Reticulation monitoring:

There are a number of test points along the water networks that serve to ensure that the quality of potable water (to the consumer) complies with national standards (SANS 241:2015). There are 61 samples tested per week/month by uMhlathuze Water.

##### c) Waste Water Treatment Works includes:

- Alton Macerator Station
- Arboretum Macerator Station
- John Ross Highway Macerator Station
- Nseleni Wastewater Treatment Works
- Esikhaleni Wastewater Treatment Works
- Empangeni Wastewater Treatment Works
- Ngwelezane Wastewater Treatment Works
- Vulindlela Wastewater Treatment Works

##### d) Wastewater Treatment Monitoring

There are 7 test points at the wastewater treatment works and macerator stations, which ensure that the final effluent quality complies with national standards before discharge. Additional monitoring from the councils own laboratory adds credibility to the monitoring program.

## Water Pollution Management

The Water Quality Monitoring Program (WQMP) has been developed and implemented, so that Council meets the statutory requirements and for the sustainability of water resources within its area of jurisdiction.

The WQMP is the monitoring programme that the laboratory follows to conduct its testing. The WQMP comprises the standards/guidelines and regulations that are required to effectively and efficiently monitor the entire city's water sources. Trend analyses will in future assist the council to detect from early on the water quality status of the water sources and timeously put in mitigation measures.

The following areas are monitored for possible pollution:

**Table 13: Sample types being monitored by the WQMP**

Sample Type	Description
Surface Water	Lakes (Cubhu & Mzingazi) Rural/Urban Suburbs (stormwater streams) Rivers/Streams/ Canals Industrial (stormwater streams) Pump-stations (streams close to pumpstations)
Coastal Water	Alkantstrand 1 & 2
Groundwater	Municipal Cemetery Landfill Site
Sewage	Industrial Effluent (sewage network)

## Water Pollution Control

Water pollution control includes monitoring of Waste Water Treatment Works, streams and rivers, water bodies and borehole monitoring. These all are influenced by industrial waste, pump station- and sewer overflows and non-compliances of industry and WSP's to national effluent standards. The following are some of the elements indicative of pollution:

- pH
- Conductivity
- Suspended solids
- Turbidity
- Total dissolved solids
- Turbidity
- Sulphate/chloride ratio
- Ammonia
- Faecal coliforms
- *E.coli*
- Heavy metals and other inorganic constituents

Various pollution incidents that occurred are mentioned below as well as compliance notices issued in terms of contravening specific sections of Water Services Bylaw. The permits are issued in terms of Water Services Bylaw.

**Table 14: Compliance Activity of the Water Quality Section (July 2015 – June 2016)**

ASPECT	AMOUNT	DESCRIPTION
Industrial inspection	14	Inspection of industries for their compliance to Water Services Bylaw requirements
Permits issued	10	Permits issued to companies as per section 88 and 86 of Water Services Bylaw to discharge via municipal sewer system.
Water Complaints	1	Consumer complaints on drinking water quality.
Pollution incidents	7	Incidents that resulted in pollution of open water source or open ground areas.
Forums attended	6	Meetings with industry in presenting their environmental performance to relevant stakeholders.
Internal Non conformances	3150	Non-conformances generated from laboratory results, which are out of the specified range according to WQMP.

## Blue & Green Drop Incentive Based Programmes

The Minister of Water Affairs introduced the concept of Incentive-based Regulation on 11 September 2008 to the water sector at the National Municipal Indaba held in Johannesburg. The concept was defined by two programmes: the Blue Drop Certification Programme for Drinking Water Quality Management Regulation and the Green Drop Certification Programme for Wastewater Quality Management Regulation.

### Criteria to be complied with in order to be awarded a Blue Drop Status

The Water Services Authority responsible for the provision of water is required to ensure that the following criteria is met in each drinking water treatment works:



**Table 15: Blue Drop Criteria**

Criteria	Allocated Weight (%)	2014 Score per Criteria (%)			
		Mzingazi WTW	Esikhaleni WTW	Ngwelezane WTW	Nsezi WTW
1 Water Safety and Security Plan	35	97	92	100	98
2 Drinking Water Quality process management & control	8	85	75	100	100
3 Drinking Water Quality Verification	30	55	89	82	89
4 Management, accountability & local regulation	10	81	81	89	81
5 Asset Management	11	100	100	100	100

**a) Blue Drop Incentive Based Program**

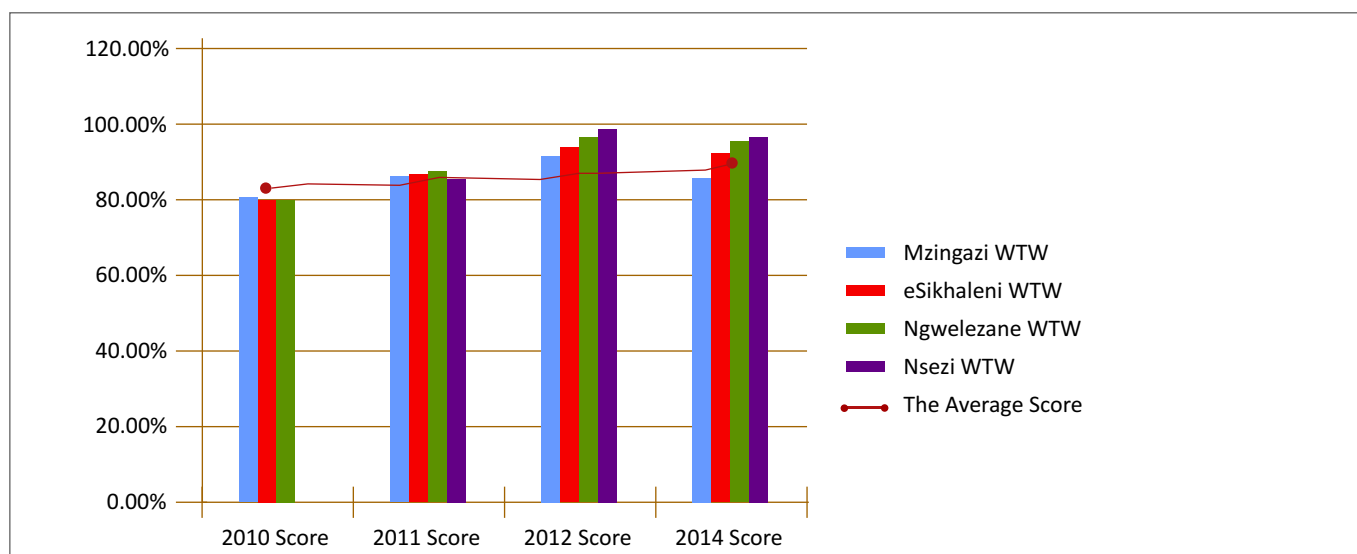
The Blue Drop process measures and compares the results of the performance of Water Service Authorities and their providers, and subsequently rewards (or penalizes) the municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined.

The Blue Drop incentive based regulation programme endeavours to facilitate and drive a continuous improvement process, seeking sustainable improvement in service delivery, progressive improvement in drinking water quality and steadfast coverage of unserved areas.

The Blue Drop Status of the City of uMhlathuze is depicted as follows:

**Table 16: Comparative Table – Blue Drop Status**

Blue Drop Systems	2010 Score	2011 Score	2012 Score	2014 Score
Mzingazi WTW	81.25%	89.28%	89.91%	85.45%
eSikhaleni WTW	79.75%	90.07%	92.35%	91.85%
Ngwelezane WTW	79.75%	91.35%	96.37%	95.02%
Nsezi WTW	NA	88.90%	98.39%	95.38%
<b>The Average Score*</b>	<b>80.4%</b>	<b>89.26%</b>	<b>92.94%</b>	<b>89.60%</b>



**Figure 7: Blue Drop Status**

#### a) Green Drop Incentive Based Program

The Green Drop process measures and compares the results of the performance of Water Service Authorities and their providers, and subsequently rewards (or penalises) the municipality upon evidence of their excellence (or failures) according to the minimum standards or requirements that have been defined.

#### Criteria to be complied with in order to be awarded a Green Drop Status




The Water Services Authority responsible for the provision of water is required to ensure that the following criteria is met in each wastewater water treatment works:

**Table 17: Green Drop Criteria**

Criteria		Allocated Weight (%)	2013 Score per Criteria (%)				
			Empangeni WWTW	Esikhaleni WWTW	Ngwelezane WWTW	eNseleni WWTW	Vulindlela WWTW
1	Process Control & Maintenance Skill	10	92	80	92	84	80
2	Monitoring Program	15	95	95	95	95	95
3	Submission of Results	5	100	100	100	100	100
4	Effluent Quality Compliance	30	10	58	66	90	66
5	Risk Management	15	100	100	100	100	100
6	Local Regulation	5	100	100	100	100	100
7	Treatment Capacity	5	59	90	90	94	90
8	Asset Management	15	93	96	96	100	100

A marked improvement in the overall scores for the Green Drop Systems within the City can be noted in the table below:

**Table 18: Green Drop Score for City of uMhlathuze**

Green Drop Systems	2009 Score	2011 Score	2013 Score
Empangeni WWTW	72%	84.30%	77.20%
eSikhaleni WWTW	72%	82.60%	86.73%
Ngwelezane WWTW 	72%	83.20%	91.18%
eNseleni WWTW 	72	83.20%	95.99%
Vulindlela WWTW 	72%	86.10%	90.74%
<b>The Average Score*</b>	<b>72%</b>	<b>83.3%</b>	<b>84.94%</b>

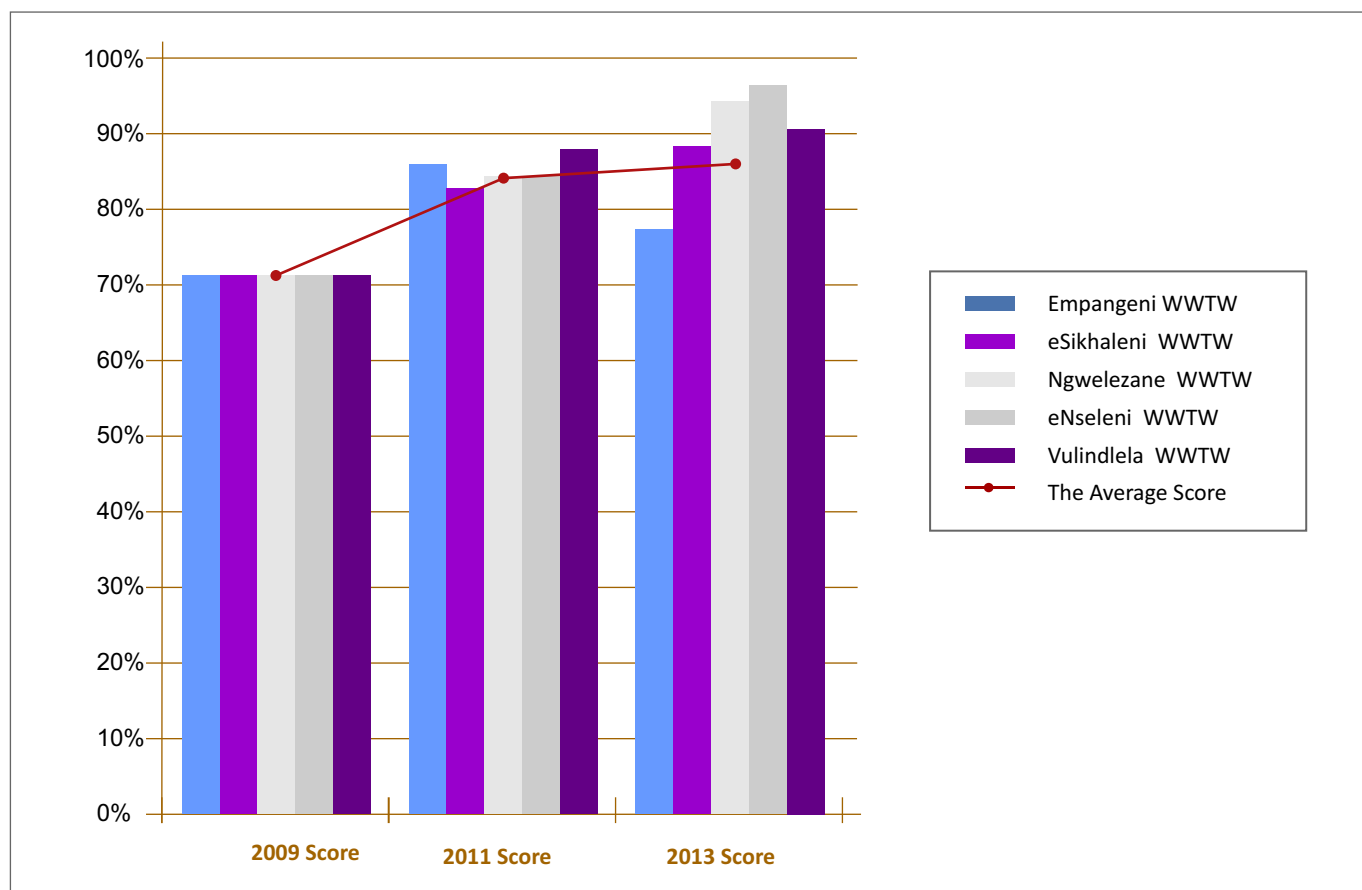


Figure 8: Green Drop Score for City of uMhlathuze

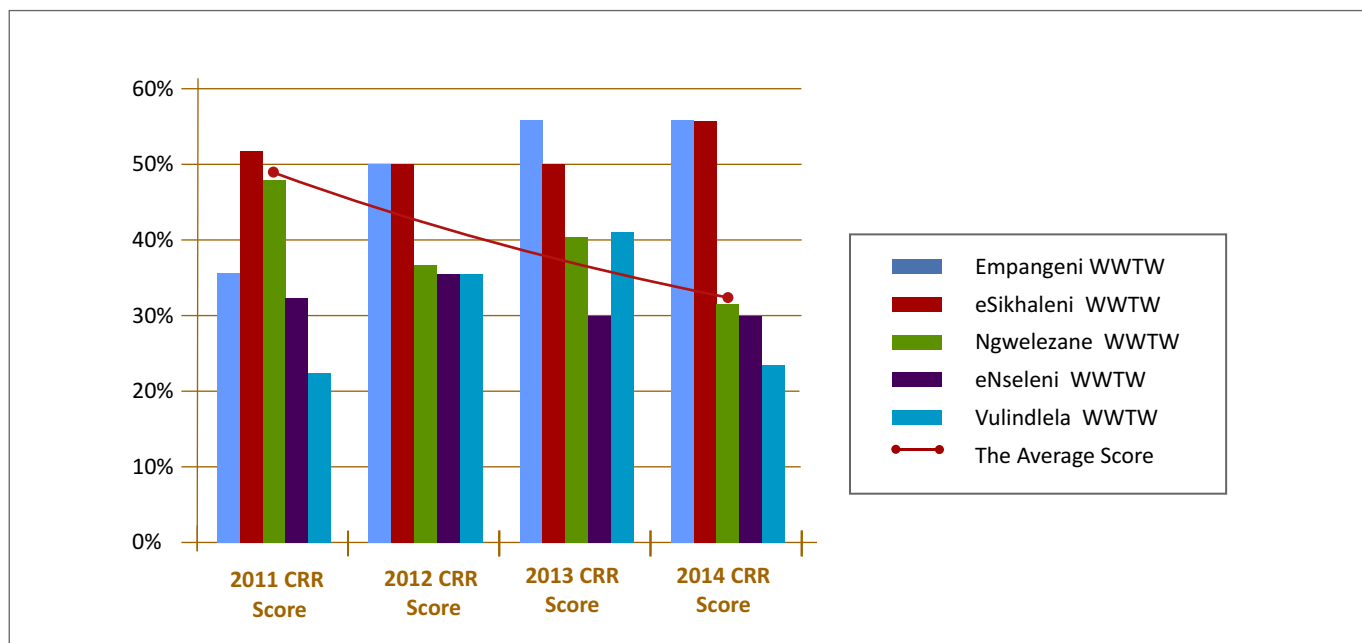


Figure 9: Green Drop CRR Score



## Water Quality Achievements

- Water Quality Management section has managed to implement a permit system, which assist the municipality to minimise impacts to the sewage system from discharge of effluent by companies;
- the implementation of the Drinking Water and Wastewater Incident and Failure Response Management Protocols;
- improved Cumulative Risk Ratio (CRR) for the Waste water treatment works;
- attaining of two Blue Drop statuses for Ngwelezane Water Treatment Works and Nsezi Water Treatment Works; and
- development and implementation of Water Safety Plan and Wastewater Risk Abatement Plan.

Below are photographs of work done by the Water and Sanitation Services during the reporting period:

### VALVE REPAIRS



## POLLUTION INCIDENTS





## VALVE MAINTENANCE



## BURST PIPE REPAIRS





#### INSTALLATION OF PRESSURE BREAK



#### INDUSTRIAL INSPECTIONS



#### SITE INSPECTIONS – WATER QUALITY



#### BLOCKAGES



#### REPORTED SEWER OVERFLOWS





## SUSPECTED CHEMICAL CONTAMINATION



## SUSPECTED CHEMICAL CONTAMINATION



## WATER AND SANITATION – TEAM BUILDING

To ensure strong working relations within the teams employed to serve the community, team building sessions are held from time to time. Below are some pictures from the past year:





## WATER AWARENESS CAMPAIGN- NHLANGENYUKA RURAL AREA



## ELECTRICITY SUPPLY SERVICES (ESS)

### Introduction

The City of uMhlathuze receives electricity supply from eight (8) of Eskom's Points of Supply, and distributes it to about 34 998 customers. Of this customer base, 8 are key customers, including Mondi Group, Coallink (Transnet Freight Rail - TFR) and Transnet National Port Authority (TNPA) are all supplied at 132kV voltage level. The following are other key customers which are supplied at 11kV: Richards Bay Coal Terminal (RBCT), Bell Equipment, BidVest Tank Terminals, Foskor and Mhlathuze Water.

About 67 customers are categorized as large power users (LPU) with a demand of more than 1MVA and 3271 supplied at 400V, while approximately 31 492 are residential or small power users at 230V.

The total notified maximum demand (NMD) is as follows:

1. Richards Bay 230MVA: Maximum (197MVA)
2. Empangeni Main 20MVA: Maximum (11MVA)
3. Empangeni Western 20MVA: Maximum (21MVA)
4. Felixton 0.7MVA: Maximum (0.5MVA)
5. Vulindlela 1MVA: Maximum (0.86MVA)

6. Esikhaleni 16MVA: Maximum (19MVA of which 11MVA is Eskom load)
7. Nseleni 2.7MVA : Maximum (2.65MVA)
8. Ngwelezane 7MVA: Maximum (6.43MVA)

The City has total of 43 Substations, of which 12 are 132 kV and 31 are 11 kV, with the following electrical infrastructure:

1. 94.3 km of 132kV Overhead Lines
2. 109km of 11kV Overhead Line (OHL)
3. 503km of 11kV underground cable (UGC)
4. 850 Minisubs
5. 53 Ring Main Units
6. 136 Pole-mounted transformers
7. 7257 customer distribution kiosks
8. 17423 streetlight poles and 87 Traffic lights

### Customer Services, Marketing and Retail

All customers consumed a total of 913 GWhs of electricity while 964 GWhs was purchased from Eskom, indicating a total energy loss of 51 GWhs which amounts to an average loss of 5% over the financial year. It is to be noted that the energy losses are showing a slow decrease since 2013/2014. This figure includes both technical and non-technical losses.

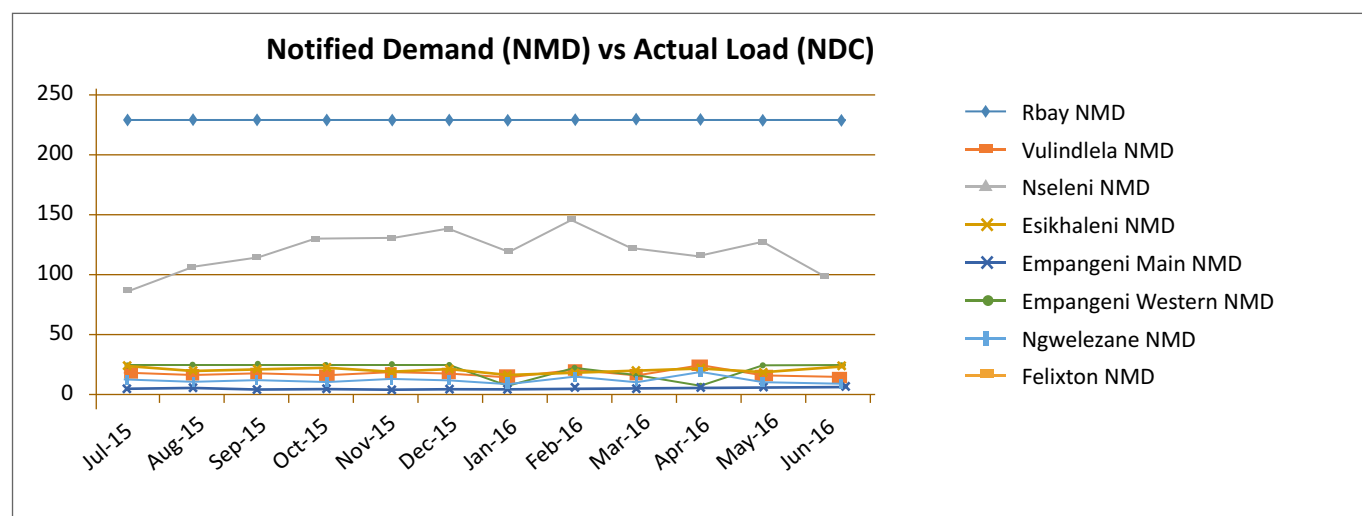


Figure 9: Notified demand versus actual load

The consumption of municipal installations amounted to a total value of 9 209 889 kWh for 2015/2016.

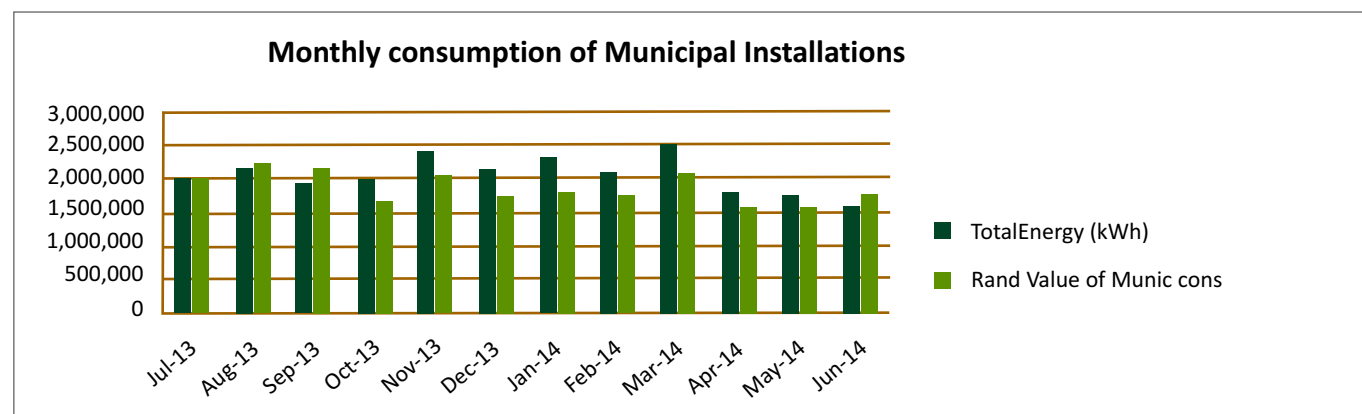


Figure 10: Monthly consumption- municipal installations



## Energy losses unit

The Electricity Supply Services Department embarked on a projection April 2013 to identify and address energy losses in the City of uMhlathuze.

The process entailed the following:

- Audit of all miniature substations;
- audit of all ring main units;
- audit of all pole mounted transformers;
- identifying and replacement of redundant / old metering equipment i.e CYLP meters and Indigo+ meters; and
- installation of bulk meters in miniature substations.

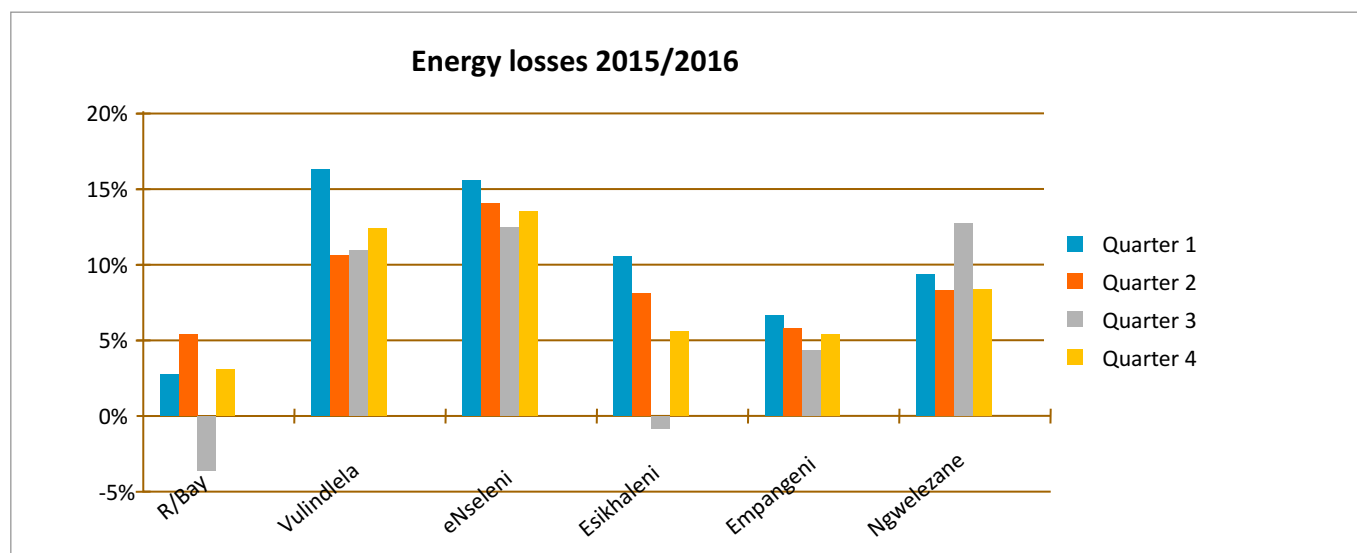
The installation of bulk meters in substations/mini-substations and pole mounted transformers which was an attempt at reconciling the electricity consumed by the Business and Commercial Customers, has already yielded results. Meter replacements only started in July 2013 after the required installation audits were completed. To date a total of 519 meters have been installed or replaced in this ongoing programme.

Below is the distribution of the meter installations:

**Table 15: Distribution of meter installations**

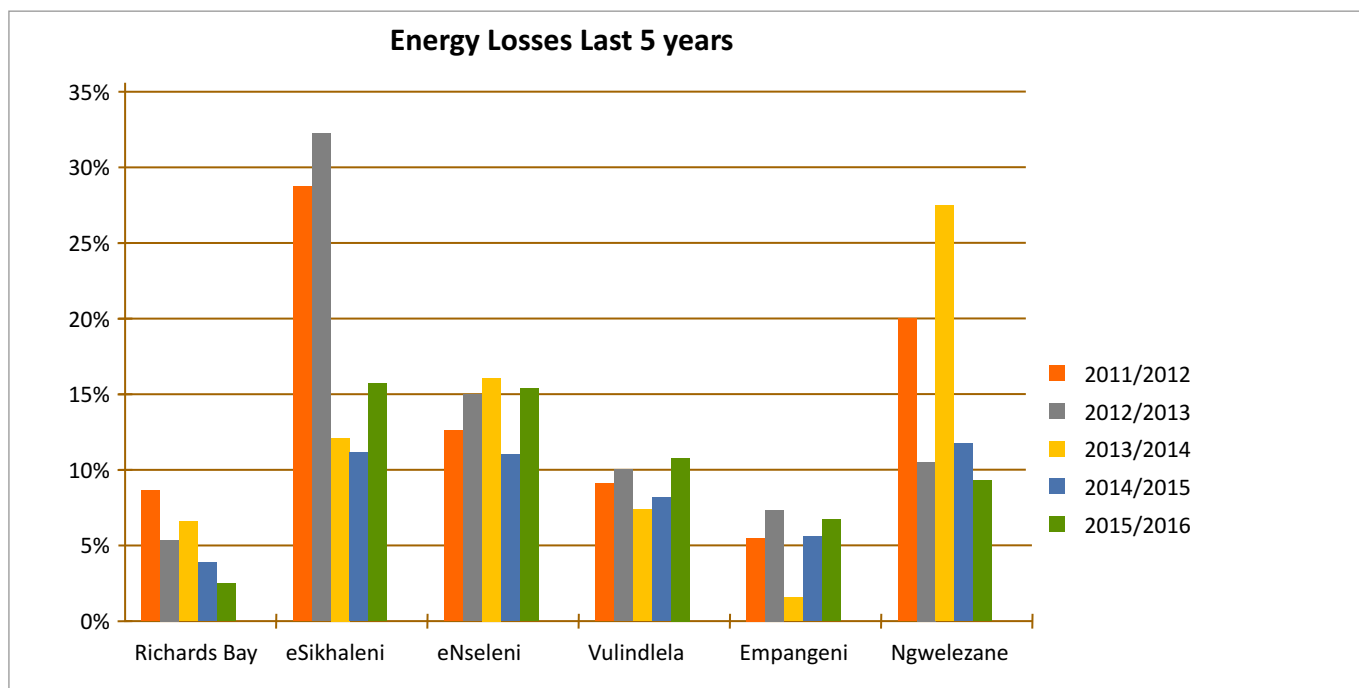
	Minisub Bulk	Customer Meters
<b>Richards Bay</b>	119	197
<b>Empangeni</b>	12	74
<b>Esikhaleni</b>	34	11
<b>Vulindlela</b>	7	8
<b>Nseleni</b>	22	2
<b>Ngwelezane</b>	28	4
<b>Felixton</b>	0	1
	<b>222</b>	<b>297</b>

During the 2014/2015 financial year a considerable increase in energy losses in Ngwelezane was noted and a similar project was launched in Vulindlela during the 2015/2016 financial year with the funding allocated from the Energy Losses capital vote.



**Figure 11: Energy losses 2015/2016**

Ngwelezane has very few check meters installed and this is because of the installation of Split Prepayment meters by the erstwhile Empangeni Municipality; and the fact that there is no space available in kiosks to install check meters. Thus accurate measurement of 'stolen' energy is not possible and calculations in respect of tampering can only be affected for one year using the average calculated prior to the established date of the tamper. For this reason- there is under recovering of losses in the area.



**Figure 12: Energy losses 2011 to 2016**

#### Revenue Protection unit

**Table 16: Prepayment meter audits**

Prepayment Meter Audits: All Areas	Annual Total
Houses Visited (general audits) EES	1017
Number of customers billed for Tampering:	114
Number of customers billed for Unpaid Elect Consumed (faulty meters):	10
Number of customers billed for Unmetered Elect Consumed:	9
Clearance certificate audits requested by CFO	1874

#### Eskom household connections

**Table 17: Number of completed connections by Eskom as at 2015/2016 financial year**

MUNICIPAL CODE AND NAME	BUDGET YEAR	PROJECT NAME	PROJECT TYPE	PROJECT STATUS
All Eskom connection	2011/2014	Kz282 uMhlathuze	Household	6337
Ntuze	2013/2014	KZ282 uMhlathuze	Household	64
Ndabayakhe	2013/2014	KZ282 uMhlathuze	Household	342
Mpembeni	2013/2014	KZ282 uMhlathuze	Household	300
				706
<b>OVERALL TOTAL</b>				<b>7043</b>
<b>OUTSTANDING</b>				<b>5654</b>

## Operations and Maintenance (Substation, HV & MV Operations)

Operations & Maintenance constantly seeks to deliver reliable electricity supply to customers by maintaining the network to avoid outages, and by responding promptly to outages when they occur. Hence, uMhlathuze's network reliability is measured by the frequency and duration of power interruptions in the network. Most power interruptions that customers experience reflect faults or failures of the medium voltage (MV) network.

NRS 047-1:2005, section 4.5.3 recommends that after unplanned interruptions, power should be restored as follows:

- 30% within 1.5 hours;
- 60% within 3.5 hours;
- 90% within 7.5 hours;
- 98% within 24 hours; and
- 100% within a week.

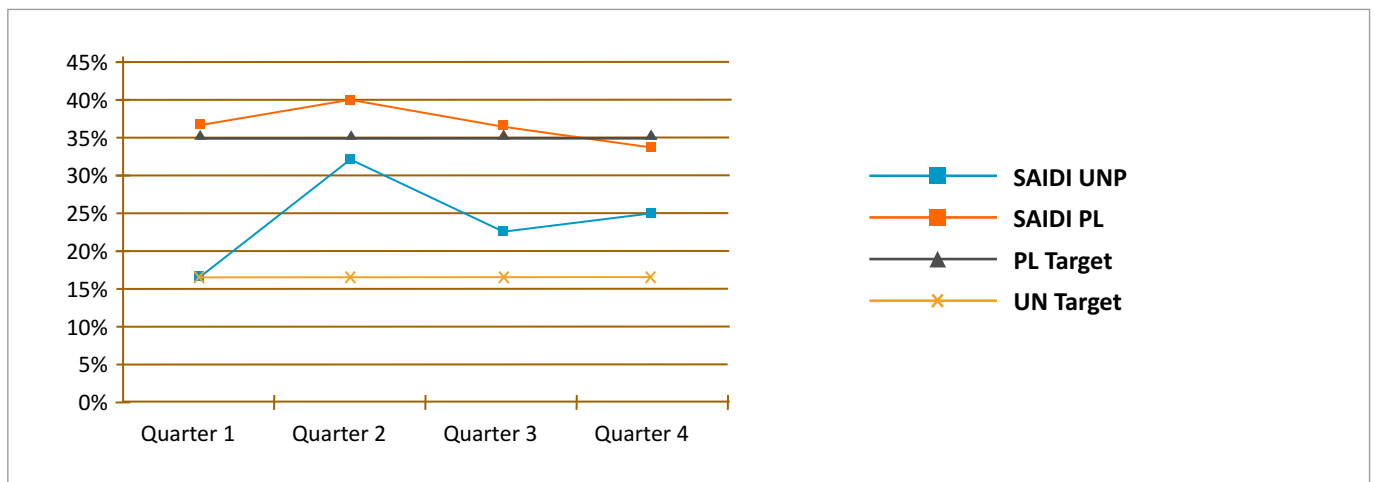
The City of uMhlathuze recorded the following outage duration over the past three years:

**Table 18: Power outage duration summary 2013-2016**

MV Outage Duration			
	2013/2014	2014/2015	2015/2016
Within 1hr 30mins	39	34	24
Within 3hrs 30mins	92	95	82
Within 7hrs 30mins	94	106	129
Within 24hrs	120	115	153
After 24hrs	129	62	101
<b>Total Forces Interruptions</b>	<b>474</b>	<b>412</b>	<b>489</b>

The year 2015/2016 indicated an increase in duration of 7.5 hours compared to the year 2014/2016; the biggest contributor being the power MV failures in the Esikhaleni and Brackenhams areas.

The City of uMhlathuze Operations and Maintenance division uses the following key performance indicators (KPI) to monitor the network performance:



**Figure 13: System Average Interruption Duration Index (SAIDI)**



## Definations

### System Average Interruption Duration Index (SAIDI)

Definition: Average duration (in hours) in total that the customer was without supply.

Formula

$$SAIDI = \frac{\text{Cust.Affected} \times \text{Duration}}{\text{Cust.Base}}$$

### System Average Interruption Frequency Index (SAIFI)

Definition: Average frequency that the customers supply is interrupted

Formula

$$SAIFI = \frac{\text{Cust.Affected} \times \text{Interruptions}}{\text{Cust.Base}}$$

In the winter months there is typically low frequency and probability of fault occurrence as opposed to summer. This trend is explained by the fact that most of the City's MV network is powered by underground cables. With the summer rains comes a sharp increase in ground moisture which compromises aged cables and leads to a higher probability of failure. The sharp drop in faults for December is thought to be a result of the closure of most light industrial customers for the end of year break. A steep increase is also recorded in January as production resumes in the new year.

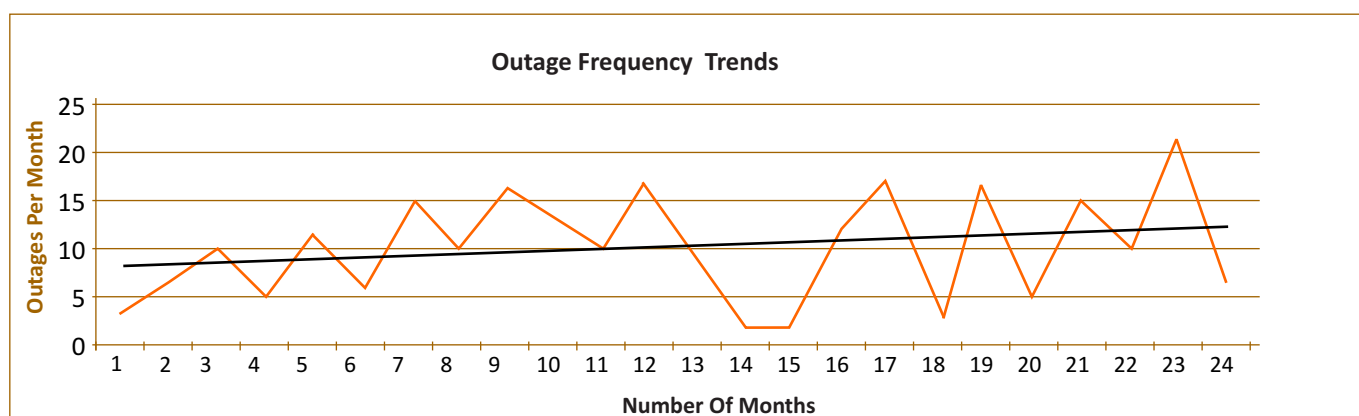


Figure 14: Power outage frequency trends

Further analysis of the outage frequency data from the past two years show that on average, and with every passing month, the number of faults increases. This comes as no surprise as most of the network equipment was installed approximately 40 years ago and therefore most of the major components have reached the end of their useful life. Under normal circumstances, maintenance can be used to flatten the trend. As shown in figure 14, most of the outages may be attributed to cable failure.

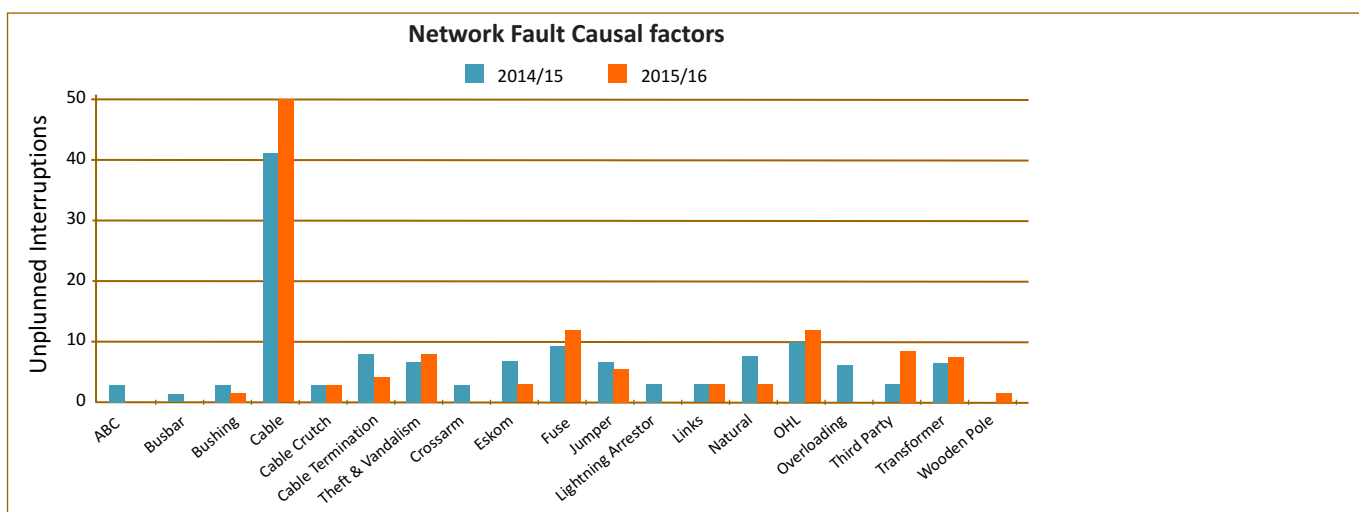


Figure 15: Network fault causal factors

The significant rise in network faults in 2015/2016, can be attributed to the frequent failure of the Esikhaleni Cygnus transformer, aged cables and Brackenham overhead lines which peaked towards the end of the financial year. The Cygnus 11 kV panel replacement project also contributed, to a small degree, to power failures due to the lack of redundancy during commissioning. To eliminate this problem in future, the City has started to conduct electrical conditioning monitoring on the Esikhaleni network. This is the first step towards pro-active, as opposed to reactive maintenance; and the test results will provide network status and areas requiring urgent attention, facilitating maintenance prioritisation per criticality identified in the test results.

Some factors affecting reliability, such as the condition of the network and the level of redundancy (subject to planning), can be controlled by the organisation. Others however, such as weather events and customer density, cannot. For example, some networks- and especially those in the boundary of the municipality have on average lower redundancy. These characteristics increase the likelihood of interruptions and longer outage durations. Although overall reliability data shows a network characterised by classic aging symptoms; a mini-substation and RMU maintenance contract is in progress, and the soon- to- be- implemented contracts on HV cable; cubicles; and Esikhaleni cable replacement; will go a long way in bringing much needed improvements to the reliability of the network.

The Cygnus 11kV replacement project is now showing positive results whereas before this project was commissioned, 132kV breakers were used to trip for 11kV faults. This has changed and the 11kV breakers are now tripping for MV faults, which takes out only affected sections unlike in the past when the whole of Esikhaleni was off during such instances.

## Public Lighting

The street lighting complaints via the call centre has processed a total of 679 works orders, of which 632 were street light fitting failures, 42 cable failures, 5 cable thefts and 242 knocked down poles. On routine maintenance, 1355 streetlights were repaired, 356 streetlight poles were replaced, 226 photocells replaced and 141 streetlight cable faults repaired. The total number of lamps replaced amounted to 4296 while 210 fittings and 283 photocells were replaced. The call centre is operational 24 hours a day on 0800222827, also allowing complainants to log calls either via the website at [www.umhlathuze.gov.za](http://www.umhlathuze.gov.za), or via e-mail to [streetlights@umhlathuze.gov.za](mailto:streetlights@umhlathuze.gov.za).

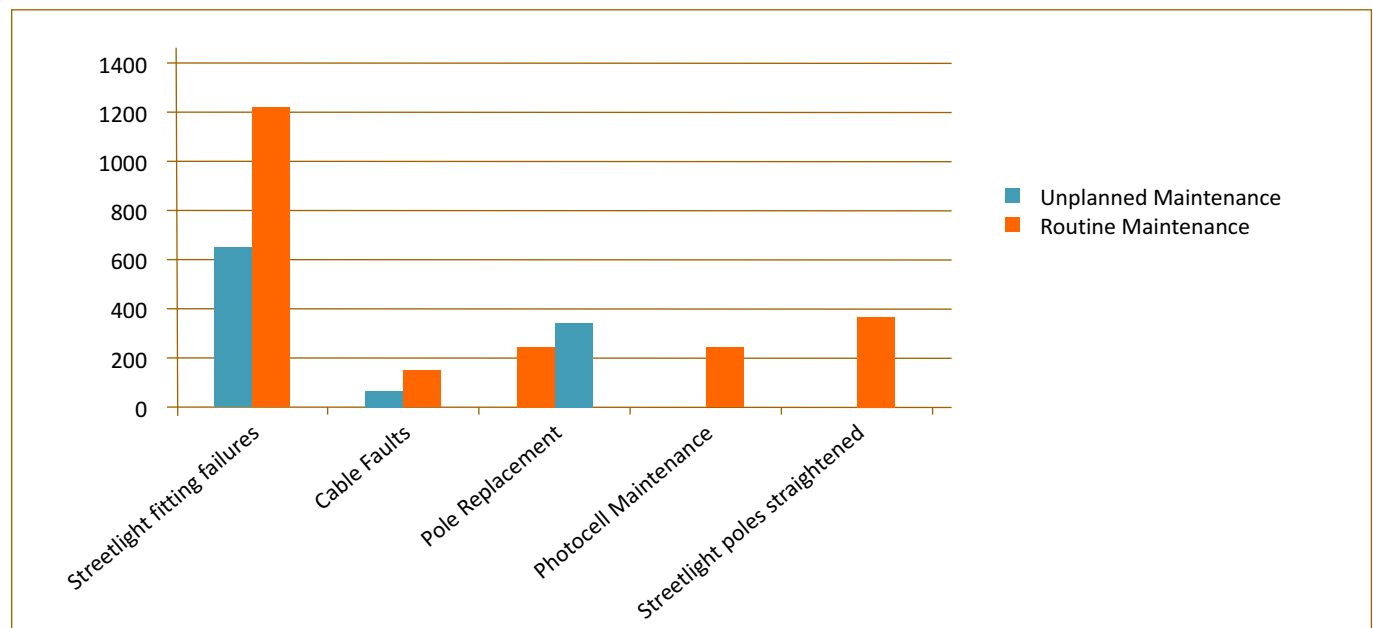


Figure 16: Street lighting maintenance statistics

Table 19: Street lighting maintenance summary 2015/2016

	Unplanned maintenance	Planned Maintenance
Streetlight fitting failures	632	1214
Cable faults	42	141
Pole replacement	242 (Knocked down poles)	356 (Rotten/Rusted poles)
Photocell Maintenance		226
Streetlight poles Straightened		379

Pole replacement consisted of 100 rotten poles replaced in Esikhaleni H section and 100 rotten poles in Esikhaleni J section. 156 rusted poles were replaced in Empangeni.

## Planning and Strategy

The City of uMhlathuze continues to strive to provide a safe environment with zero harm, secure and reliable supply of energy in a cost-effective manner. The City achieved this by planning its network and making investment decisions in line with Council decisions and the GRAP17 Capital Investment Process (CIP) and Asset Management; as well as executing the majority of its planned projects. The Planning and Strategy division addresses strategic planning relating to capital investments and renewal of electricity assets. The technical decisions taken with regard to designs and operation of the network are in accordance with the compliance obligations of network management legislation, regulations and related codes of practice as per National Energy Regulator of South Africa (NERSA), and reflect recognised industry best practices and standards relating to the management of electricity infrastructure assets.

The City of uMhlathuze's electricity network development is undertaken in accordance with the Electricity Supply Act and the National Electricity Grid Code for Sub-transmission (132kV substations and Switching Stations as well as 132kV Feeders) and Distribution Network (11kV, 400V and 220V networks) Planning Criteria and Guidelines. The City also took the opportunity during past two years to explore non-network services to support its grid through energy efficiency and renewable energies as supported by other organs of the state such as National Treasury, the Department of Energy and the Department of Environmental Affairs to mention the few; by conducting intensive audits in order to ascertain the benefits and/ or effects of the application of various technologies to this effect. The City followed SALGA EE & RE strategy review which is in line with DME National Energy Efficiency Strategy and National Climate Change Response White Paper (2011)

In general, the City of uMhlathuze plans the development of its network to ensure:

- Network capacity is adequate to meet power transfer requirements as well as 10% to 20% supply reserve margin as stipulated in 2015/16 IDP to support the economic growth in the area of KwaZulu-Natal;
- electrical and thermal design ratings (normal and overload) of equipment is not exceeded;
- supply reliability is in accordance with published standards, or as negotiated to meet the special requirements of individual major network customers;
- quality of supply meets published standards and system voltage levels are maintained within acceptable standard limits; and that safety standards are maintained or exceeded; and
- environmental constraints are observed.

There are four major undertakings that the City of uMhlathuze has adopted in order to achieve the smooth running and operating of the network; namely:

1. Network Refurbishment projects;
2. Network Strengthening projects;
3. Network Reliability projects; and
4. Energy Efficient Demand Side Management and Renewable Energy projects.

### Report on Capital Projects

There are various capital projects under different categories that were initiated during 2015/16.

All of the below mentioned projects deal not only with service delivery concerns but also with social upliftment as per EPWP programme to create job opportunities for the community.

Completed projects under this project category are as follows:

**Table 20: Private Development projects**

Project Name	Project Description	Comment
<b>RBIDZ (Richards Bay Industrial)</b>	Supply IDZ 1A development with 10MVA	Project completed
<b>TNPA (Transnet National Port Authority)</b>	Installation of 132kV feeder bay at 132kV Neptune Switching Station for firm supply at TNPA	Project completed

**Table 21: Network projects**

Project Name	Project Description	Comment
<b>Cygnus Substation Refurbishment project</b>	Replacement of obsolete and unsafe 11KV switchgears and protection	Project completed
<b>eSikhaleni 11kV cable replacement</b>	Replacement old and problematic 18km of cable in eSikhaleni 11kV network	Project completed
<b>Electrical Network Master Plan</b>	Electrical Network Master Plan identified the areas of the network where network expansion is needed in order to accommodate current and future developments	Project completed



Table 22: Electrification projects

Project Name	Project Description	Comment
<b>Mandlazini Electrification</b>	Electrification of 564 households	Project is completed, 644 households were connected
<b>Mzingazi Electrification</b>	Electrification of 209 households	Project is completed, 239 households were connected
<b>Dumisani Makhaye Village Electrification Phase 7</b>	Electrification of 559 households	Project is completed, 532 households were connected,
<b>A1275 Ngwelezane Electrification</b>	Electrification of 220 households	52 customers were connected as per erected houses and the remaining will be connected as when required during 2016/17

Table 23: Public lighting projects

Project Name	Project Description	Comment
<b>John Ross/Empangeni Main Road Street Lighting Installation</b>	Installation of street lighting on John Ross Empangeni Main Road covering total distance of 2.5km on either side of the road	Project completed
<b>Central Sports Field Flood Lights Installation</b>	Installation of flood lights for main soccer stadium at Veldenvlei	The consultant and the contractor were appointed during 2015/16 and the construction will start during 2016/17

## Energy Management

The City of uMhlathuze continues to support SALGA Energy Efficiency & Renewable Energy Strategy Review which is in line with the Department of Energy's National Energy Efficiency Strategy and National Climate Change Response by implementing the identified energy efficiency technologies in parts in its areas for demand response in order to alleviate network constraints and contribute in minimising power outage. Relevant organs of the state were consulted during 2014/15 fiscal year for different funding in order to pursue and support the National Climate Change Response.

### Energy Efficiency

During 2015/16 the City of uMhlathuze implemented certain Demand Side Management initiatives in order for the municipality to respond to the required CO2 reduction over the period of time. The following audits were done during 2013/14 fiscal year and the status during 2015/16 was as follows:

Table 24: Audits completed

No	Project Name	Comment
1	RLM (Ripple Load Management): Household water heating and pool pumps	Project was not implemented due to lack of funding, partial funding available but the project cannot continue until the full required funding is achieved. Different financial alternatives are being explored to cover the shortfall.
2	Pumps Stations: Installation of Soft Starters or VSD's (Variable Speed Drives) or any other equipment, in the water and sewer pump stations, to achieve load shifting	Project was not implemented due to lack of funding. Energy Management section is exploring alternative funding options.
3	Auditing for HVAC (Heating Ventilation & Air Conditioning) systems for all municipal buildings	Project was not implemented due to lack of funding. Energy Management section is exploring alternative funding options.

4	Audit for installation of LED (Light Emitting Diode) lighting with Motion Sensors and online tele-management for all municipal buildings	Project was not implemented due to lack of funding. Energy Management section and has engaged finance for exploring alternative funding options.
5	200 randomly selected Household Survey for energy consumption as per DoE requirement	Project was not implemented due to lack of funding. Energy Management section is exploring alternative funding options.
5	Traffic Signal energy consumption base lining	Project is completed and 1515 lights are replaced

**Table 25: Energy efficiency projects**

No	Project Name	Progress Comments
1	Supply and Install 60W Solar PV System at Empangeni Bay Library	Project completed

## Process Control & Telecommunications

The Technical Operational Centre (TOC) is operating 24 hours, 7 days week on an integrated information system; however without human intervention to monitor the system. The scope of services incorporated in the nerve centre includes the following functionality:

1. Electricity – monitoring strategic power distribution points with alarm features and historian devices;
2. Sewer – monitoring of sewer plants and sumps with alarm and remote pump control;
3. Water – monitoring of water plants, reservoirs with alarm and remote pump control;
4. Street lights – monitoring of street and traffic lights;
5. Fleet – monitoring that vehicle follows prescribes routes. (The Geotab system is installed in at least 60% of Council vehicles); and
6. Water, Metering and Load Management – monitoring of meter water consumptions vs supply demand in order to correct distribution, enhance revenue and facilitate smart metering migration platform.

The Technical Operational Centre has been developed for the following primary objectives:

- To protect the revenue of the municipality by implementing load balancing and load management on its electricity network in the form of report generation;
- to drastically improve service delivery by managing electricity and water network with live data, remote intervention capabilities and proactive maintenance;
- to be pro-active and use the complaints data collected through the call Centre to identify and eradicate recurring network failures and mitigate bottlenecks in services;
- to ensure that sewer capacity and leaks are identified and documented in a useful manner for leakage eradication and future planning;
- to ensure that the municipal fleet stick to predefined and prescribed routes and that municipal vehicles are utilized for official business only;
- to monitor Council vehicles in real time;
- to monitor feedback to consumers in complaints management using sms, telephony or email facilities;
- to restore the faith and trust of the community in the institutional capability; and
- to ensure that power failures are reduced in peak times and that all consumptions are recorded per smaller zones in order to pinpoint illegal usage.

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## ROADS, TRANSPORT AND STORMWATER MANAGEMENT SECTION (RTS)

### Introduction

This section is responsible for the following:

- Transport Planning and Strategy;
- Urban Roads and Rail;
- Stormwater and Coastal Management System; and
- Rural Roads.

### Transportation Planning

### Achievements

#### SIGNALISED INTERSECTIONS

**Table 26: Traffic signal upgrades**

No	AREA	CROSSING		Request	Done
		Road 1	Road 2		
1	Richards Bay CBD	P231 - North Central Arterial	Antelope Alley	June	August
2	Empangeni	R102 - Grantham Highway	Steel Road	June	July
3	Richards Bay	North Central Arterial	Antelope Alley	Oct	Oct
4	Richards Bay	Anglers Rod	Krewelkring	Sept	Oct
5	Richards Bay	Bullion Boulevard	Pedestrian Crossing	Nov	Nov
6	Empangeni	Main Rd	President Swart	Jan	Feb
7	Richards Bay	Anglers Rod	Krewelkring	Jan	Feb
8	Richards Bay	East Central Arterial	Essenwood	Feb	Mar

**Table 27: Traffic signal timing upgrades**

No	CROSSING		Request	Done
	Road 1	Road 2		
1	P496 - John Ross	Foskor	September	September
2	Alumina Allee	Carbonode Cell	July	August
3	Nkoninga	Fiddlewood	June	August
4	P496 - John Ross	Mondi Rd	August	September
5	Bullion Boulevard	Town Square Mall	September	November

#### TRANSPORTATION ROADS AND STORMWATER RELATED CONTRACTS/ QUOTATIONS

This section also executes Planning and Maintenance Contracts, namely:

- Traffic calming;
- repairs to pedestrian bridges;
- new traffic light warrants and designs;
- walkways;
- shelters; and
- bus/taxi laybys

**Table 28: Contracts and Quotations completed in the financial year**

No	Year	Month Commenced	Description	Quotes Complete	Value at Completion (R )
1	2015	November	H3 Infill -Kerbs and Channelling	December	R184 390
2	2016	February	Painting of Traffic Signals Poles Empangeni and eSikhaleni	April	R100 000
3	2016	February	Painting of Traffic Signals Poles Richards Bay	March	R100 000
4	2016	April	Construction of Bus Shelters	June	R183 900
5	2016	April	Upgrade of intersections – Pedestrian crossings, humps and signage - Ngwelezane	June	R76 000
6	2016	April	Upgrade of intersections – Traffic circle, walkway and related works.	June	R140 000
7	2016	April	Load restriction Signs Richardsbay CBD	June	R180 000

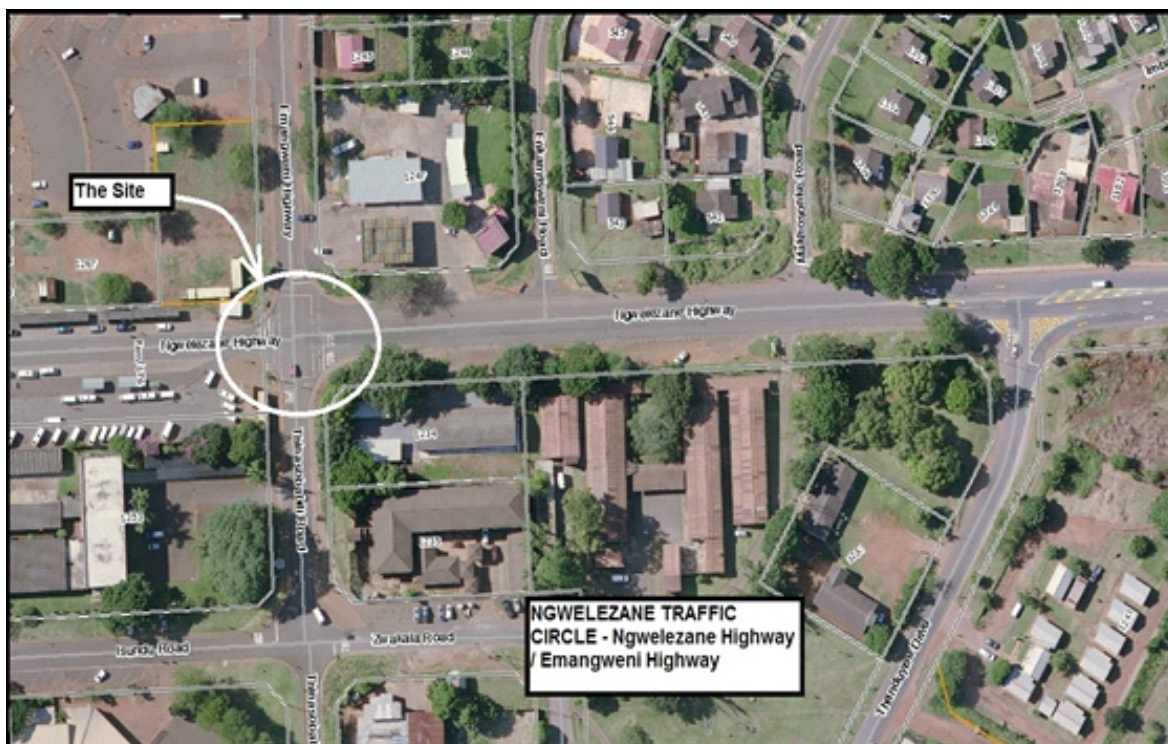
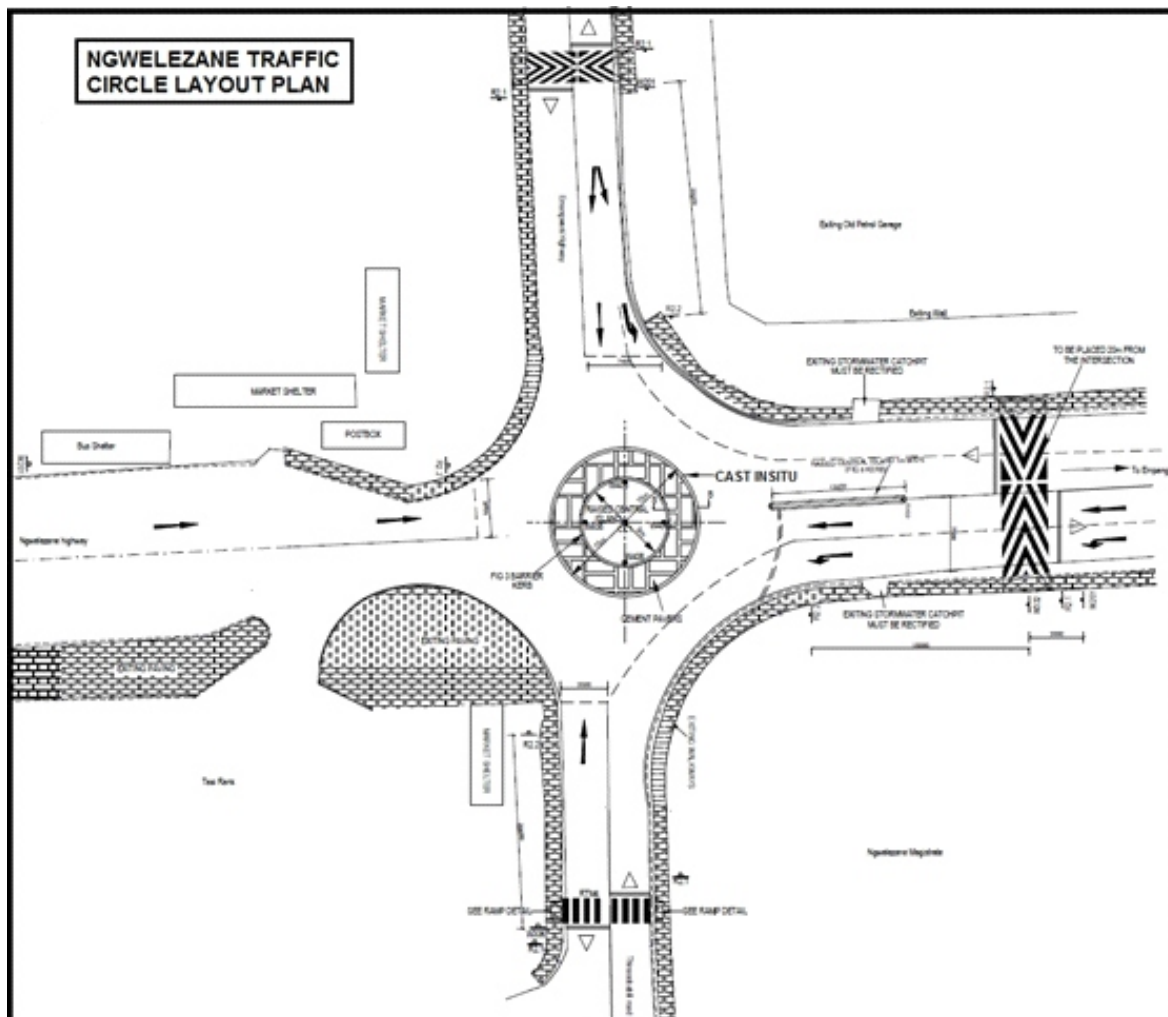
Pictures of some of the projects are included below:

**CONSTRUCTION OF BUS SHELTERS IN WARDS 7, 14, 23, 25, 27 AND 28**



## UPGRADE OF INTERSECTIONS

### Pedestrian Crossings, Humps, Signage, Traffic Circle, and Related Works







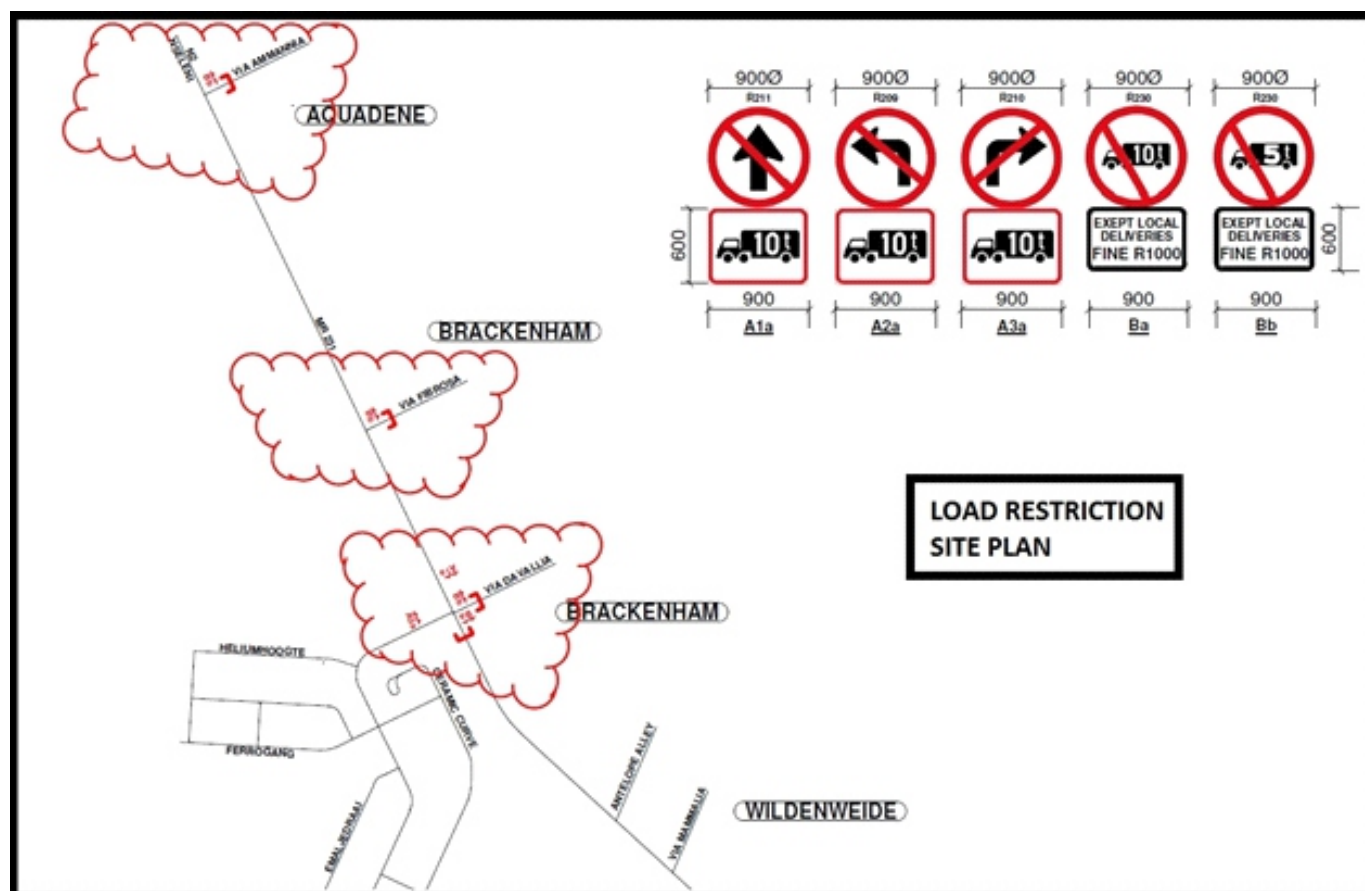
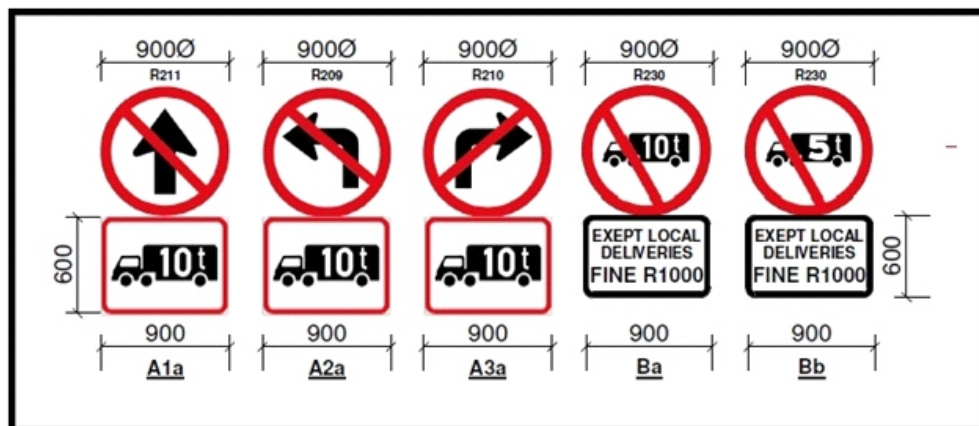
#### **LOAD RESTRICTION SIGNAGE - RICHARDS BAY CBD**

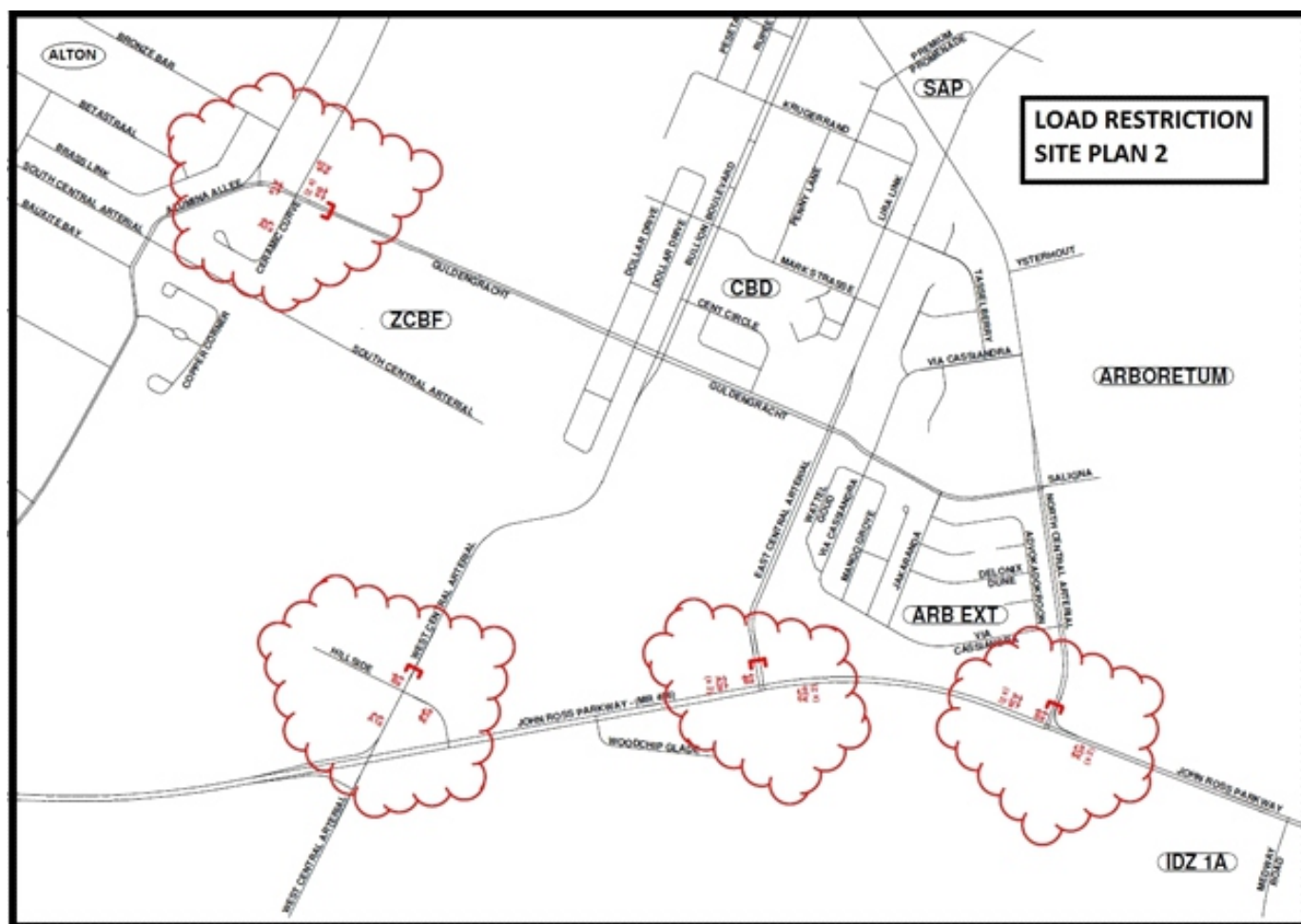
The City, in an endeavour to curb ongoing damage to roads infrastructure, embarked on a project to set and enforce load restriction signage in the CBD.

#### **DAMAGES TO ROADS INFRASTRUCTURE BY HEAVY DUTY VEHICLES**



The following signage and Load Restriction mapped plan has been implemented:





## TRANSPORTATION PLANNING

During 2015/2016 Financial Year the Section executed the following work:

- Traffic Impact Assessments;
- Provision of transportation related comments on new and private developments
- Calculated Roads Contributions

Month	Planning and Development Act Applications	Traffic Impact Assessments	Road Contributions	Consent Applications	Lease Applications	CD Items Comments
July 2015	3	3	6	3	16	0
Aug 2015	2	2	8	7	10	1
Sept 2015	4	5	3	0	16	5
Oct 2015	1	1	8	6	15	1
Nov 2015	1	1	6	5	7	1
Dec 2015	1	0	9	7	7	1
Jan 2016	2	5	10	12	10	6
Feb 2016	3	4	2	3	8	2
Mar 2016	1	3	12	8	8	3
April 2016	0	3	4	4	11	1
May 2016	1	2	5	4	4	1
June 2016	5	8	12	9	6	5



## Urban Roads and Rail

This section consists of three depots; namely:

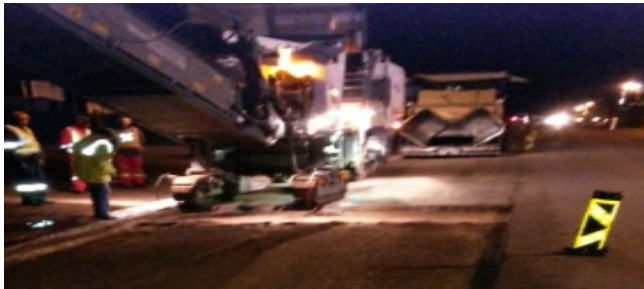
- Empangeni
- Esikhaleni
- Richards Bay

The section maintains 570.2 km's of Urban Blacktop Roads and 17.1 km's of Private Rail Sidings and comprises of Three Depots. It undertakes day to day maintenance activities as well as major planned maintenance activities.

12 Roads throughout the entire City of uMhlathuze were rehabilitated during the 2015/2016 Financial Year. Amongst the major planned activities that were undertaken and completed this year were as follows:

One of the major rehabilitation by means of a mill, stabilize and fill operation was that of uBhejane road in Nseleni.

### BEFORE AND AFTER PHOTOS OF MILLING IN UBHEJANE AT NSELENI



A similar operation was performed on Phelendaba Road in Ngwelezane.

### BEFORE AND AFTER PHOTOS OF PHELENDABA ROAD IN NGWELEZANE



Other activities for the year included:

**Table 30: Summary of day to day work completed in the 2015/2016 financial year**

DESCRIPTION	UNIT	TOTAL
Walkways repaired	M <sup>2</sup>	3931
Kerbing - Repaired	m	400
Potholes Repair / Preparation	m <sup>2</sup>	13239
Bollards - Replaced	No	244
Guards Rails – Repaired	No	2
Guards Rails – Replaced	m	86
Speed Humps	No	67
Driveways Repaired	No	124
Public Parking Repaired	M <sup>2</sup>	576

**Table 31: Summary of road marking activities completed in the 2015/2016 financial year**

DESCRIPTION	UNIT	QUANTITY
Road Lines: Solid White and Yellow and White Broken Lines	KM	100
Traffic Signs Erected	NUMBER	186

### **Stormwater Systems and Coastal Planning**

The Stormwater System and Coastal Planning Section is responsible for the overall Stormwater Management and Preparation functions throughout the City. It also deals with the Coastal Management functions such as Beach Rehabilitation and Maintenance through the cooperation of various stakeholders involved in the various activities and functions along the City's coastline; namely:

- Uthungulu District Municipality;
- Transnet National Ports Authority; and
- KZN Wildlife Authority.

### **STORMWATER SYSTEMS OPERATIONS AND MAINTENANCE**

The Operations and Maintenance functions of the Stormwater Infrastructure Component is dealt with both in-house (internally) which forms part of the un-planned maintenance and out-sourced (externally) which forms part of the planned maintenance.

Table 31: Summary of Stormwater related infrastructure

CITY OF UMLATHUZE								
STORM WATER AND URBAN ROAD LENGTH THIS PER SUBURB - Aug 2015								
Area	Suburb	STORMWATER						ROADS
		LENGTH(m)			No.			LENGTH (KM)
		Concrete Channel	Earth Channel	Pipelines	Kerbs Inlets	Manholes	Headwalls	
RICHARDS BAY	Alton North	234	3345	16809				21.4
	Alton South	3887	4348	15696.0416				32.5
	Aquadene	1925	449	4531				9.8
	Arboretum	2324	8949	26943				53.7
	Birdswood	208	1905	9785				23.6
	Brackenham	2541	249	14989				26.1
	CBD	1099	3339	15703				22
	Mandlazini	0	0	55				18.3
	Meerensee	596	1463	24822				59.1
	Mzingazi	0	0	0				10.7
	Veldenvlei	1048	5430	8357				20
	Wildenweide	1964	900	4155				7.5
RICHARDS BAY TOTAL					1850	1624		
EMPANGENI	Central	27	0	13037				17.1
	Empangeni Rail	0	433	3243				16.3
	Fairview	2116	0	11112.9693				15
	Grantham Park	803	508	11092				16.1
	Kildare	50	0	5042				7
	Kuleka	130	214	10544				13
	Noordsig	0	0	2882				3.8
	Nyala Park	0	70	12060				15.4
	Richem	0	186	6152				8.1
	DMV	298	855	1676				17.5
	ZSM Industrial	16	67	958				1.4
	Carsdale	308	0	1199				2.8
	Hilview & Ext.	171	0	3051				6.7
	Panorama	0	0	4516				6.5
	Zidedele Village	0	0	4516				1.4
EMPANGENI Totals					1827	760		
NGWELEZANE	UNIT A	117	0	11887				21.8
	UNIT B	0	0	8617				21.2
Ngwelezane Totals					458	67		
eSIKHALENI	UNIT H	5788	3900	24439				48.1
	UNIT J	3507	6382	11902				34
eSIKHALENI Totals					923	233		
FELIXTON		233	1271	2459	56	3		10
eNSELENI		321	1118	8292	189	73		22.2
VULINDLELA		0	823	2425	70	31		7.9
JOHN ROSS Interchange		497		2312	19			
SUBURB NOT AVAILABLE		2282	2303	0			13	51.5
TOTAL		32490	48507	301278.585				669.5



The Stormwater maintenance (unplanned/planned) function is shared with the Urban Roads Section and work executed during the Financial Year July 2015 to June 2016 is as follows:

**Table 32: Stormwater maintenance 2015/2016**

	YEAR	2015/2016		
	AREA	NORTH	SOUTH	WEST
	QUARTER	4TH		
PLANNED/UNPLANNED MAINTENANCE	UNIT			
Stormwater Catch Pit / Kerb Inlet / Junction Box - New	No	130		
Stormwater Catch Pit / Kerb Inlet / Junction Box - Repaired	No			
Stormwater Catchpit / Kerb Inlet / Junction Box - Cleaned	No	83	70	
Stormwater Catchpit / Kerb Inlet / Cover Replaced / Repaired	No	1		
Stormwater Pipes – Repair / replace	m	61		
Stormwater Pipes – Cleaning / High Pressure Jetting	m	4680	1135	
Stormwater Subsoil Drains - Cleaning	m			
Open Stormwater Drain Cleaning	m	12	750	1180
Street Cleaning	m	141568	4942	12506
Small Culvert Bridge - New	No			
Walkways Cleaning	m			350

Similar to the rest of the municipality, the division operates in all zones of the City, including North, South and West as previously mentioned in the report.

#### COASTAL MANAGEMENT AND BEACH REHABILITATION

The division oversees engineering aspects through Erosion Protection and Beach/Shore Rehabilitation of the City's Coastal Areas ranging within the following geographical scope:

- Mzingazi Canal;
- Pelican Island and Pelican Bay; and
- Alkantstrand and Northern Beaches

The division together with City Development, and Parks Sports and Recreation under Community Service Department, have embarked on an emergency beach rehabilitation project to assist in safeguarding the Alkantstrand Beachfront from further erosion, as experienced during the October 2014 storms that caused considerable damage to the City's beaches and is threatening damage to the lifeguard facilities and the existing park along Alkantstrand Beachfront. This project entailed the construction of a geofabric container bas revetment wall- as presented below.

#### GEOBAG PROJECT ALONG ALKANTSTRAND



#### BEACH REPLENISHMENT BY MEANS OF SANDPUMPING

One of the functions of monitoring and reporting of the section is that of the Dredging and Beach Restoration Operations performed by the Transnet National Ports Authority (TNPA), by supplying sand to the City's Northern Beaches in an attempt to maintain beach nourishment.

Transnet National Ports Authority (TNPA) has undertaken to supply a minimum of 950 000 m<sup>3</sup> of sand annually, therefore monitoring of this function and adherence of TNPA to this agreement is of utmost importance.

Below are photographs of the above-mentioned operation.

#### ISANDLWANA DREDGER: COMMISSIONED IN 2010 WITH AN OPERATIONS CAPACITY OF 2800M3



#### ISANDLWANA DREDGER: CONNECTING TO SAND-PUMPING PIPELINE AFTER DREDGER



#### SANDPUMPING DISCHARGE ONTO ALKANTSTRAND BEACH



Currently the Isandlwana Dredger has been replaced by the Ilembe Dredger which has an even larger operating capacity of 3300m<sup>3</sup>, and is much newer, therefore sustaining less breakdowns and decreased operation time.

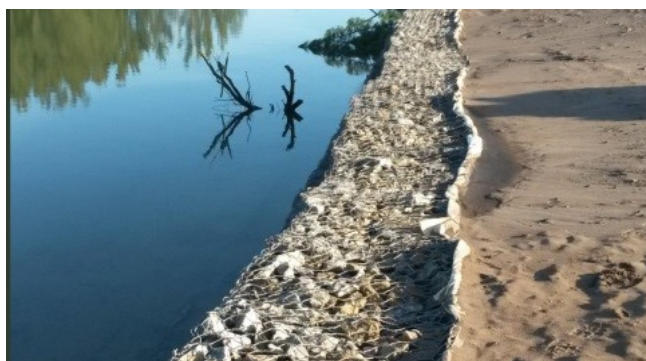
#### OTHER CAPITAL PROJECTS COMPLETED (RTS)

##### CONSTRUCTION OF 4 NEW PEDESTRIAN BRIDGES IN WARDS 14,15,18,22



The construction of the Pedestrian Bridge in Ward 14 has not commenced as yet, however it is envisaged to be finalised before 30 September 2016.

#### EROSION PROTECTION OF EMBANKMENT ALONG BLIND CANAL



#### STORMWATER MANAGEMENT BYLAWS

The current Stormwater Bylaws have been amended to incorporate additional clauses that will assist Council as well as the public with resolutions on how to deal with the following:

- Natural stormwater-flow disputes between neighbours and/or adjacent properties;
- illegal dumping of waste and litter within the storm water servitude causing blockages or damage to storm water infrastructure; and
- building restrictions within the floodplain area or within the 1 in 50 year flood-line area.

These amended Bylaws will be made available to the public for review and comment in due course.

Table 33: Stormwater Bylaw

BYLAWS	DESCRIPTION
Storm Water Management Bylaw	New amended bylaw promulgated in 2011 and developed to protect open water resource and to enforce stricter controls for managing this area more effectively.

## Rural Roads

The Rural Road Operations division attends to the following in rural areas:

- Rural roads;
- access roads; and
- pipe culvert bridges.

During the period in review, the following was achieved: Rural Roads- 350 km's of roads graded, 59.2 km's gravelled, and 16 Pipe Culvert Bridges installed. Cleaning of congested pipe culverts was attended to on a continuous basis thereby assisting hundreds of residents residing in rural communities.

The table below is a summary of the work executed:

**Table 34: Rural Roads work completed in 2015/2016**

Date	ROADS GRADED		ROADS GRAVELLED		STORMWATER PIPE CULVERTS	
	KM'S GRADED	WORK IN WARDS	KM'S GRADED	WORK IN WARDS	NO SITES	WORK IN WARDS
Jul-15	10	14,15,8,7,25,30,10,11, Sokhulu	6.1	7,29,30,18	0	
Aug-15	42	12,13,14,4,5,1,7,24, 10,18,19,30	14.2	17,1,7,28,27,24, 25,22, 18,20,19	0	
Sep-15	3	15,13,6,11,18	7.9	17,16,15,14,1,11,10	0	
Oct-15	9	24,29,11,22,10,30,18	11.9	14,13,12,8,6,1	0	
Nov-15	10	12,13,16,5	4.1	12,1,5	0	
Dec-15	24	13,15,1,5,4,24,25,27,11,18,10	3.1	4,1	0	
Jan-16	30	13,5,6,25,18,10,30,22,19,11	1.3	1,7	0	
Feb-16	63	13,14,5,6,7,8,4,25,27,29,10, 11,18,30	0.0		0	
Mar-16	60	15,4,1,24,25,22,19,20,18,10	0.0		0	
Apr-16	25	15,17,13,12,1,4,5,27,10,22,11	0.0		12	13,14,24,25,6,5
May-16	58	13,12,15,5,4,1,29,30,10,11,22	1.2	5,6	4	20,10
Jun-16	16	15,13,6,11,18	9.9	15,14,12,13,16,17,8,4,1,7, 29,28,27,25,24,18,30,10,11 22,20	0	

Council has invested in the acquisition of its own earth moving plant which is utilised by the division to carry out its function. Such plant includes:

- TLB
- Grader
- Roller
- Water tanker
- Tipper truck



## GRADING AND GRAVELLING PROGRAMME AND OTHER INFORMATION

The work carried out is reflected in the graph below:-

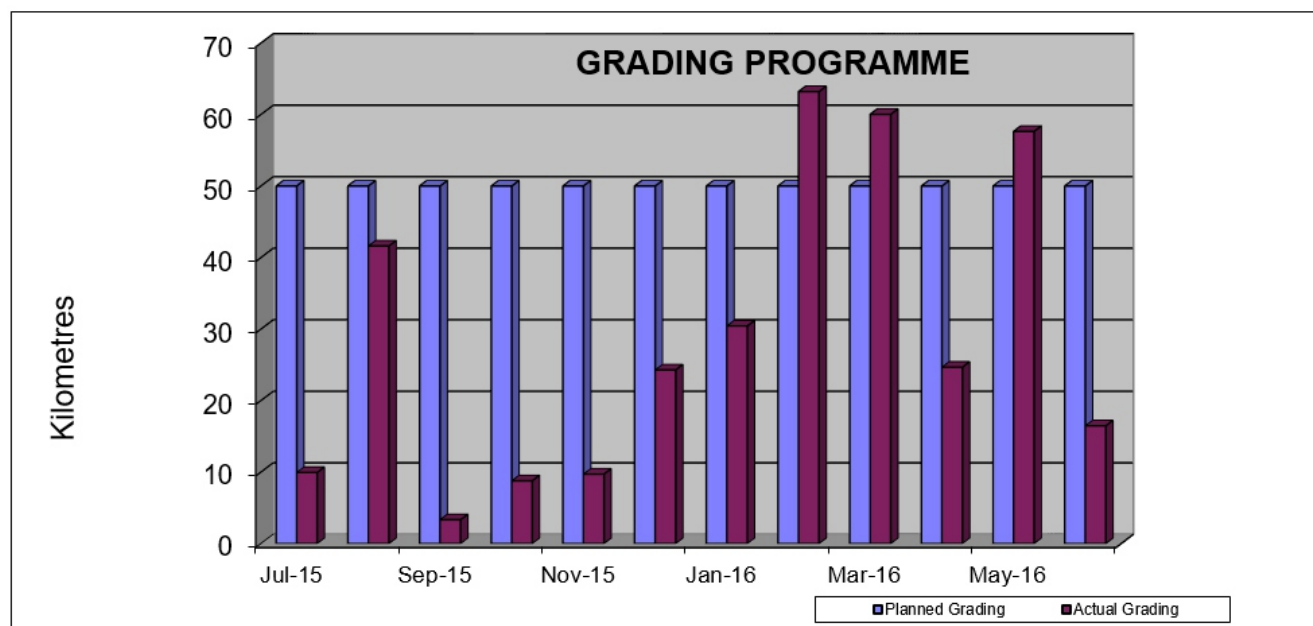


Figure 17: Grading programme

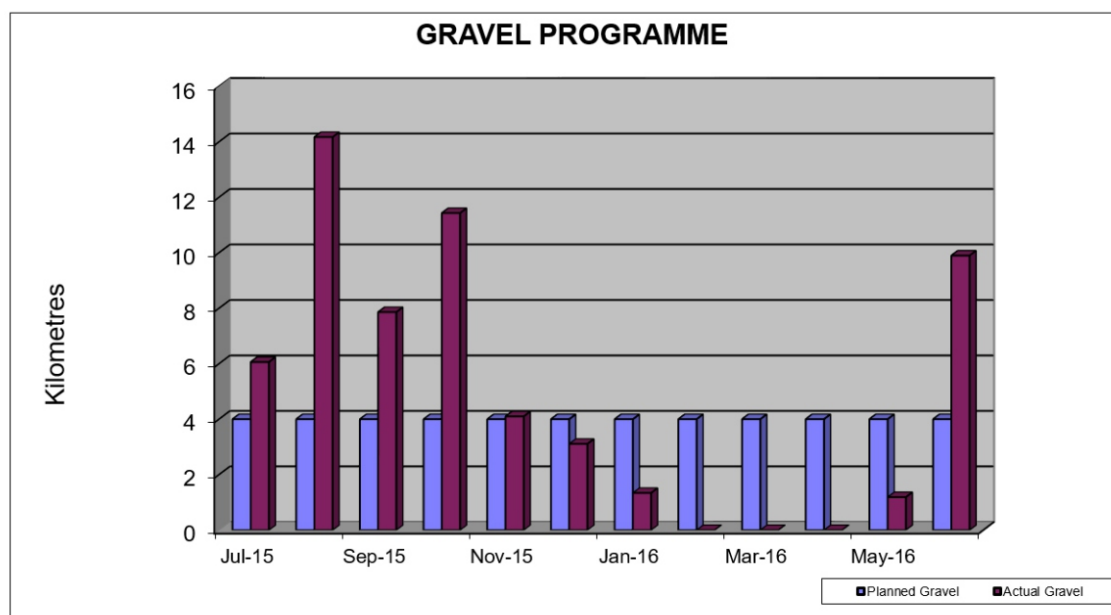


Figure 18: Graveling programme

Table 35: Grading, Graveling and Pipe culvert clearing/ construction programme 2008- 2016

TOTALS	KM'S GRADED	KM'S GRAVELLED	PIPE CULVERT
2008/2009	680.6 KM	38.7 KM	54 Sites
2009/2010	289.5 KM	32.9 KM	101 Sites
2010/2011	460.2 KM	19.8 KM	43 Sites
2011/2012	431.3 KM	12.7 KM	52 Sites
2012/2013	609 KM	49.2 KM	39 Sites
2013/2014	290 KM	38.2 KM	35 Sites
2014/2015	384 KM	47.1 KM	36 Sites
2015/2016	350 KM	59.2 KM	16 Sites

## PHOTOGRAPHS OF WORK COMPLETED



## Engineering Support Services (ESS)

### Fleet Management

The Fleet and Transportation division is a support unit for the maintenance, servicing and repair of the entire municipal fleet. This includes compiling the budget for the replacement of fleet. The division also functions as support for the maintenance of yellow plant used in the entire area of jurisdiction of the City of uMhlathuze. Management of the vehicles and supervision of driver behaviour resorts under user departments, who are responsible for the daily operations and control and management of the vehicles and plant allocated to them.

The division is responsible to:

- Set out and implement standards to regulate physical management, recording and internal controls to ensure that vehicles, plant and equipment is safeguarded against inappropriate loss or utilisation, thereby maximising useful economic life;
- provide a framework within which expenditure on vehicle, plant and equipment can be incurred including scrapping of such vehicles, plant and equipment; and
- ensure that vehicles, plant and equipment are acquired, operated, maintained, repaired and disposed of within the applicable regulatory framework, taking into consideration budgetary constraints.

### Capital Projects

The City spent approximately R30 million on additional fleet during the 2015/2016 financial year to improve service delivery. The acquired fleet included:

- 1 Road Sweeper
- 26 Double Cab 4 x 4 LDV's
- 3 Half Ton LDV's
- 1 Fuel Trailer
- 2 Tipper Trucks
- 4 Water Tankers
- 2 Graders

### ROAD SWEEPER AND AERIAL PLATFORM



Capital funding for the procurement of additional and replacement plant and vehicles will require significant investment in the coming years if the municipality's fleet is to meet the growing demands required to render effective service delivery.



## Plant and Equipment Statistics

**Table 36: Vehicle and plant maintenance statistics (current)**

Item	Qty
Commercial vehicles (3 ton and above)	124
LDV'S and Panel vans	256
Sedans / SUV's and mini-busses	81
Tractors	35
Yellow Plant (including small plant)	36
Plant and Equipment	146
Motor cycles	4
<b>Total Vehicles and Plant</b>	<b>682</b>

### Auction of redundant vehicles and plant

On 31 March 2016 a public auction was held for the disposal of redundant vehicles and plant. This was the first auction of redundant vehicles and plant that was held for several years. The requirement for a registered auctioneer was advertised by uMhlathuze Municipality's Supply Chain Management Unit. The auction was well conducted and all funds due to uMhlathuze Municipality have been deposited into Council's Bank account. Officials from Council's Supply Chain Management Unit supervised the Auction proceedings.

A total amount of R1 278 852 was realised through the auction.

### Project Management Unit

This division is responsible for the implementation of capital projects on behalf of other departments which do not have the capacity to execute the same. It's role includes preparation of specifications and tender documentation. The MIG Grants funding is also implemented by Project Management Unit (PMU) division. In addition, the division deals with the coordination of Expanded Public Works Programme (EPWP) in which departments are responsible in terms of making sure that they create job opportunities in all service delivery budgets under the municipality.

**Table 37: Selected projects under PMU**

Project Description	Completion Date
Mkhwanazi North Water Supply Phase 5C	11 Feb 2016
Mkhwanazi North Phase 5 – Reticulation: Zone L1	25 Mar 2016
Mkhwanazi North Phase 5 – Reticulation: Zone Q	25 Mar 2016
Aquadene Bulk Water Infrastructure	02 Oct 2016
Aquadene Bulk Sewer Infrastructure	02 Dec 2016
Esikhaleni Improvements Water Phase A	30 Nov 2015
Esikhaleni Improvements Water Phase B	31 Sept 2015
Esikhaleni Improvements Water Phase C	28 Nov 2015
Esikhaleni Improvements Water Phase D	15 Sept 2015
Mkhwanazi Bulk Water Phase 5	05 Dec 2015
Sanitation Phase IV – Khoza (15000 VIP)	03 Apr 2015
Sanitation Phase IV Khoza (15000 VIP)	03 Nov 2015
Sanitation Phase IV – Madlebe (18000 VIP)	03 Apr 2015
Sanitation Phase IV – Madlebe (18000 VIP)	03 Oct 2016
Sanitation Phase IV – Mkhwanazi (12000 VIP)	13 Sept 2015
Sanitation Phase IV – Mkhwanazi (12000 VIP)	13 Sept 2015
Dube/Mkhwanazi South (1000 VIP)	13 Sept 2015
Mandlazini Sewer	29 Apr 2016

## Project: Construction Of 20ML Reservoir

The project is key to the growing developments that are being planned by the City and it will supply the Empangeni Mega Water Stone developments and supply other extensions as well as add to the reservoirs capacity within the areas.



## PROJECT: CONSTRUCTION OF MARKET STALLS AT B-RANK





**PROJECT: REFURBISHMENT OF ESIKHALENI DEPOT**



**PROJECT: EXTENSION TO ESIKHALENI LIBRARY**



**PROJECT: UPGRADE OF SPORTFIELDS IN ENSELENI (MUZUVUKILE)**



**PROJECT: MKHWANAZI NORTH PHASE 5 WATER RETICULATION ZONE L1**



**Pipe laying and Backfilling**



Butt Welding (shown with an arrow)

**PROJECT: MANDLAZINI AGRI-VILLAGE SEWER NETWORK PHASE 1**





Table 38: EPWP Infrastructure report per municipal project with demographics

Project Object ID	Public Body Ref No.	Days Worked (year)	Work opportunities (year)	Days Worked Women (year)	Days Worked Disabled (year)	Work opportunities Women (year)	Training Days Non-Accredited (year)	No. of Adult Men	No. of Adult Women	No. of Adult Women	No. of Youth Men	No. Youth Women
7584-EPWP3M	8-2-1-430	3,457	42	870	-	11		—	9	6	22	5
36395-EPWP3M	DMS 1101428	713	35	345	-	17			3	10	15	7
7605-EPWP3M	8-2-1-57	3,653	33	249	-	4			11	3	18	1
22190-EPWP3M	DMS 1063758	1,662	20	783	87	9	1		4	6	7	3
7599-EPWP3M	8-2-1-92D	854	44	249	-	17			13	10	14	7
31639-EPWP3M	DMS 1063983	870	10	348	87	4	1		3	0	3	4
31640-EPWP3M	DMS 1064015	1,383	16	432	-	5			3	3	8	2
22192-EPWP3M	DMS 1063962	884	11	566	-	7			2	3	2	4
35966-EPWP3M	DMS 1100854	1,518	45	697	-	20			11	9	14	11
7588-EPWP3M	8-2-1-315	6,425	37	2,097	-	12			11	4	14	8
7593-EPWP3M	8-2-1-965B	3,158	63	747	-	18			18	8	27	10
36656-EPWP3M	8/2/1/UMH15-15/16	518	9	119	-	2			4	0	3	2
7581-EPWP3M	8-2-1-891A	7,546	114	582	-	6			41	3	67	3
37848-EPWP3M	8/2/1/1066	303	5	59	-	1			3	0	1	1
5551-EPWP3M	RPT152275	14,914	65	5,349	-	23			21	11	21	12
7606-EPWP3M	RPT152339	6,948	32	3,675	-	15			8	6	9	9
14742-EPWP3M	RPT153036B	4,244	17	1,528	-	6			5	0	6	6
43266-EPWP3M	8/2/1/UMH17-15/16	538	15	147	-	4			4	1	7	3
42207-EPWP3M	8/2/1/UMH31-15/16	642	21	180	-	7			1	5	13	2
44426-EPWP3M	8/2/1/UMH37-15/16	560	18	175	-	6			9	3	3	3
40649-EPWP3M	DMS 968596A	2,387	12	797	-	4			4	1	4	3
40582-EPWP3M	DMS 1109764A	693	11	252	66	4	1		3	4	4	0





## EXPENDITURE ON WAGES FOR ALL MUNICIPAL EPWP PROJECTS: 2015/2016 FINANCIAL YEAR

A minimum of R21 884 477 million has been spent on wages for all EPWP programmes (Infrastructure sector, the Environmental sector and the Social sector) undertaken by the municipality during the 2015/2016 financial year. The amount includes wages paid by contractors undertaking municipal infrastructure projects.

**Table 39: EPWP Skills Training Programmes: 2015/2016**

Skills Programme Name	SAQA ID	NUMBER OF LEARNERS	FUNDING BODY
Environmental Practice Level 2	49605	35	Dept. of Public Works
Environmental Practice Level 2 National certificate construction roadworks level 2	2413349	1252	Dept. of Public Works
National Certificate in Supervision of Construction Processes- Labour Intensive Construction Level 4 [Vuk'uphile Programme]	053	0	Dept. of Public Works
TRAINING PROGRAMMES UNDERTAKEN FOR EPWP THROUGH MUNICIPAL INFRASTRUCTURE PROJECTS			
Bricklaying		7	8/2/1/ 965A
Plumbing		19	8/2/1/965A & 965B
Tiling		23	8/2/1/965A & 965B
Security		19	8/2/1/965A & 965B
Carpentry		14	8/2/1/965B
Catering		15	8/2/1/965B
Shuttering & steel fixing		8	8/2/1/57
Concrete Works		10	8/2/1/57
First Aid		22	8/2/1/57
Scaffolding		21	8/2/1/57
Hiv/Aids Awareness		15	8/2/1/UMH15-15/16

### Building & Structures

The Buildings and Structures division comprises subdivisions as follows:

- Buildings Maintenance;
- Mini Buildings Projects (Maintenance Contractors);
- Lighting Services; and
- Air conditioning and Refrigeration

This division is responsible for the maintenance and servicing of all Council owned building maintenance works, whereas smaller tasks are executed by the division on behalf of and for user departments. Budgeting for minor work is done by user departments and work planning is done based on needs and budget availability. The number of such projects completed during the reporting period equals 26, with an additional 6 either in planning or initiation/ control and monitoring phase or awaiting finalisation from Consultants.

A Structural Engineer was appointed to conduct annual inspections and provide detailed reports on conditions/structural integrity and remaining life of all municipal buildings pending refurbishment and renovations.

### Infrastructure Asset Management

This division is tasked with providing the following services for support:

- GIS in relation to capturing As Built information;
- surveys for internal projects;
- bulk contributions on civil works;
- drawing; and
- asset management programmes in collaboration with Financial Services Department.

The section also attends to investigations of site encroachments through and in collaboration with City Development Department. The issue of As Built approvals and capturing on the system is vitally important in order to ensure that Council runs asset data across the board.





# CITY DEVELOPMENT



**Nontsundu Ndonga**  
Deputy Municipal Manager

## CITY DEVELOPMENT

The City Development Department directly addresses the National Key Performance Areas of:

- Basic Services and Infrastructure Provision
- Local Economic Development
- A number of relevant cross cutting KPAs are also addressed relating to urban and rural development as well as property management

In context of the above KPAs, the City Development Department is divided into three sections, namely Economic Development Facilitation, Urban and Rural Planning and Public Transport Facilities and Operations Coordination. The respective Units under each of these sections are indicated hereunder:

Economic Development Facilitation	Public Transport Facilities and Operations Coordination	Urban and Rural Planning
○ Property Administration	○ No Sub-Units	○ Development Administration
○ Business Support, Markets and Tourism		○ Land Use Management
		○ Spatial and Environmental Planning
		○ Human Settlements Programmes

A synopsis is provided of each of the listed Units and a thread drawn with the Municipality's IDP Goals, Objectives and Strategies.

### ECONOMIC DEVELOPMENT FACILITATION SECTION

The long term vision of the uMhlathuze Municipality is to become “the Port City of uMhlathuze offering improved quality of life for all its citizens through sustainable development.” The municipality intends to achieve this through sustained socio-economic development and distribution of opportunities for the benefit of all communities in an efficient, cost-effective manner.

The uMhlathuze municipality has a growing population with a relatively high density, fairly high levels of urbanisation and high unemployment rate.

Indicator	Value
Total surface area	789 square metres
Total population	334,459
Population growth rate from 2001 to 2011	1.45%
Percentage of female in population	51%
Percentage of the youth in Population	72%
Unemployment levels	26.5%
Percentage of population with access to water	89.3%
GDP	R3.7 Billion
uMhlathuze contribution to GDP of KwaZulu-Natal	7.6%

The uMhlathuze Municipality has identified key projects through the established Richards Bay Industrial Development Zone (RBIDZ) to address unemployment and slow economic. The municipality together with the RBIDZ has identified the following potential industries to promote manufacturing in the region:

- Manufacturing of plastic piping for bulk water transportation
- Paint manufacturing
- Machinery and equipment assembly and repacking
- Manufacture of solar water heater geysers
- Manufacture of energy storage and micro grid systems
- Cement blending and production facility
- Establishment of caustic soda/ chorine chemical production plant
- Manufacturing of stainless steel cookware
- Manufacture of products that use nano-precipitated calcium carbonate
- Manufacturing of tomato paste
- Manufacturing of agricultural supplements
- Manufacturing of Titanium dioxide pigment
- Pulp manufacturing
- Generation of 60 megawatt green electricity
- Establishment of a metallurgical coke production facility
- Aluminium beneficiation
- Manufacturing of welding electrodes

According to the RBIDZ report, some of the above manufacturing industries have already committed (signed) and are ready to start while others have been approved for feasibility and implementation. The Municipal Economic Development Facilitation Section provided necessary support through its Business Support, Tourism Development and Marketing, and Property Administration Units to both RBIDZ and

## BUSINESS SUPPORT, MARKETS AND TOURISM

Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 3: LOCAL ECONOMIC DEVELOPMENT		
Goals	Objectives	Strategies
3.1 Viable Economic Growth and Development	3.1.1 To create an environment that will create jobs and alleviate poverty	3.1.1.1 Develop and sustain urban and commercial agriculture to build food security 3.1.1.2 Facilitate and grow SMMEs 3.1.1.3 Promote local production for local needs 3.1.1.4 Review and implement LED Strategy 3.1.1.5 Affirm local entrepreneur

In line with the above IDP Objectives, the following are the targets that have been achieved as per the SDBIP for the year under review.

## BUSINESS SUPPORT AND MARKETS

The large businesses located in the uMhlathuze municipality are mainly in the environmentally sensitive sub sectors such as mining, smelting, pulp and paper, etc. These sectors and sub sectors also require highly technical and scarce skills.

These above mentioned challenges and others not mentioned present a good opportunity for uMhlathuze municipality to engage with large and small business towards the objective of economic development, job creation and transformation.

The municipality has since implemented the following in the 2015/16 financial year to address some of the above mentioned challenges:

### Skills Development

The Economic Development Facilitation Section partnered with various stakeholders to ensure that the business community, in particular, the Small and Medium Enterprises are equipped with necessary skills to grow their businesses.

Program	Activity	Beneficiaries	Outcome	Stakeholders
Agricultural Support	Value adding training	19 cooperatives	Co-operatives learned how to add value to their produce	Department of Agriculture & Rural Development
Informal Business Support	Financial literacy training	40 informal traders	Participants became more confident about financial matters and learned how to make informed financial decisions	Old Mutual & Nedbank
Tourism Product Development	Sustainable Competitive and Responsible Enterprise Development (SCORE)	25 tourism establishments	Improved tourism product offering	International Labour Organization



NedBank & Old Mutual Financial Literacy Training for Informal Traders Value Add Training for Agricultural Cooperatives.



## MARKETING

The municipality provided assistance to various businesses in the City of uMhlathuze through marketing platforms and business networking.



Program	Activity	Beneficiaries	Outcome	Stakeholders
Agribusiness Business Linkage	Annual Agricultural Market day	11 cooperatives	Ensure access to market	Business Community
Tourism Marketing	Marketing uMhlathuze as the Preferred Coastal Destination in Northern KZN	Tourism Industry in the City of uMhlathuze	Increase in a number of tourists visiting the City of uMhlathuze	A) The Best of KZN and Beyond magazine B) Explore the East 3 Route Magazine C) Woza Zululand magazine
SMME Promotion	Advertise companies on the LED Screens in the municipal rate halls	19 SMMEs	Ensure access to market	SMMEs
Township economy	Business Breakfast meeting	150 SMMEs	Networking amongst township businesses Strengthening Communication between township businesses and the municipality	Esikhaleni SMMEs, Ngwelezane SMMEs and Vulindlela SMMEs

### Township Business Breakfast

A Business Breakfast was hosted with the purpose of fostering a good working relationship between the Municipality and Local Businesses in Townships. The Business Breakfast focused on the Township Economy as one of the pillars of the Municipal Economic Transformation Road Map.



### Agricultural Market Day

Council hosted their Annual Agricultural Market day. This event affords Small Scale Farmers from Council's Agricultural Support Programme an opportunity to sell their produce and market themselves.



## TOURISM

### a) City of uMhlathuze Beach Festival

The City of uMhlathuze hosts the annual Beach Festival that takes place during the month of December. The 2015 event which was attended by approximately 3000 people from the City and its surrounding areas was held in partnership with the Provincial Department of Arts and Culture and uThungulu District Municipality. The Beach Festival acts as the catalyst for social cohesion and enables our Political Office Bearers to engage with the uMhlathuze masses on an informal basis.



Program	Activity	Outcome	Stakeholders
Event	Beach Festival	Create social cohesion	uThungulu District Municipality, KZN Department of Arts and Culture, uMhlathuze Municipality
Event	Tourism Month Celebration	To create awareness on the tourism product offerings in the city	KZN Department of Economic Development, Tourism and Environmental Affairs SABC Radio 1KZN TV Igagasi FM ANN 7
Event	Responsible Tourism Challenge	Winners on how to operate a business in a financially sustainable manner	

***b) Provincial Tourism Month Celebration***

Tourism Month is celebrated annually during the month of September. The theme for the past year was “A million new Experiences are a Sho't left away”. The City was privileged to host the provincial celebrations during September 2015.



## PROPERTY ADMINISTRATION

### Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 6: CROSS CUTTING		
Goals	Objectives	Strategies
6.2 Immovable Property Management	6.2.1 To ensure fair valuation of properties 6.2.2 Effective Management of Council owned Immovable properties	6.2.1.1 Development and maintenance of valuation roll in line with municipal property rates act.  6.2.2.1 Update immovable asset register 6.2.2.2 Review and adopt Land Sale and Lease Policy 6.2.2.3 Development of a Standard Operating Procedure for Land

The City of uMhlathuze manages its fixed assets through the Property Administration Unit which is under City Development Department. The Property Administration Unit which is responsible for the management of lease agreements and sale of municipal land has two divisions, i.e. property valuation and property leasing.



## PROPERTY VALUATION

The municipal Valuation Unit is responsible for the valuing of immovable properties for rating purposes. The valuation of these properties is in line with the Municipal Property Rates Act No. 6 of 2006 as amended. The MPRA is a national law that regulates the power of a municipality to value and rate immovable properties (that is building and land) located within the boundaries of a municipality, in a nutshell it standardized the valuation of properties across the board.

No. of evaluated properties	No. of objections	No. of appeals	No. of reviewed properties
586	3	0	76

## PROPERTY LEASING

Leases administered by the Municipal Leasing Unit

Section	Public open spaces leases	Adopt-a-spot leases	Agricultural leases	Encroachments	Advertising Leases	Diverse Leases for commercial	Diverse Leases for Social	Leased hostels
Total number of registered leases	207	6	7	55	34	40	28	214
Total Income received from leased properties during the 2015/16 financial year:				<b>R 8 568 537.50</b>				

### a) Regularizing of Leases Project

The regularising of leases project involves aligning Council's lease agreements with the approved policy and other relevant legislations. Since the project began there have been 3 successful cases of tenants with commercial leases who previously rented fees below a market related value and indefinite lease periods as required by the Municipal Finance Management Act:

1. Trans Tugela Bus Services
2. Transnet Capital Projects
3. American Tower Cooperation

The project impacts on revenue for Council and contributes in service delivery which is the core function of the municipality.

Land transfers administered by the Property Leasing Unit

Property Description	Category	Status
Meerensee EasteNseleni Mall	Commercial	completed
Erven 1563, 1566, 1567, 1570, Rem / 1571, Rem / 1572	Commercial	completed
Erven 11645, 11646, 11649 and 11650 Veldenvlei	Student Residences	completed
Portion 1 of Erf 229 K	Commercial	completed

### b) Leases Approved for Execution

1. **Department of Transport** - for the construction of a weighbridge in Richards bay to protect road infrastructure from overloaded trucks.
2. **MTN** - for the installation of a telecommunication mast at Vulindlela to improve network coverage in the area.
3. **Umfolozi Technical Vocational Education and Training College** – for the establishment of a maritime school to increase academic qualifications and training in the maritime sector.
4. **Lot 7490 Alton (Pty)** - for the expansion of offices and storage for construction related operations.

### c) Review of Land Sale Policy

The municipality is currently reviewing its Land Sale Policy in order to address the spatial transformation and relevant legislation. The policy is still a draft pending adoption by Council.

## PUBLIC TRANSPORT FACILITIES AND OPERATIONS COORDINATION

Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 6: CROSS CUTTING		
Goals	Objectives	Strategies
2.1 Efficient and integrated infrastructure and services	2.1.2 To expand and maintain road infrastructure in order to improve access and promote Local Economic Development	2.1.2.1 Provision of public transport facilities and infrastructure in the rural areas

The main responsibilities of the Public Transport Facilities and Operations Section as follow:

- Developing public transport policies, plans and protocols
- Managing of inter modal facilities (ranks)
- Regularizing operators
- Establishing, promoting and managing relationship and partnerships
- Promoting effective and efficient public transport

### OPERATING LICENCE APPLICATIONS

In line with the provisions set out in the National Land Transport Act, 5 of 2009, the Unit has attended to the following operating licence related letters:

Application category	Jul-Sept 2015	Oct-Dec 2015	Jan- Mar 2016	Apr-Jun 2016	Total For the Year
Renewal of operating licenses	30	25	9	47	<b>111</b>
Renewal and change of vehicle	12	9	0	6	<b>27</b>
Renewal of bus transport licenses	0	0	268	0	<b>268</b>
Amendment of operating licenses	0	3	0	3	<b>6</b>
Renewal of Meter taxi licenses	4	5	0	2	<b>11</b>
Renewal of staff services licenses	0	0	0	0	<b>0</b>
Renewal of Tourism license	0	1	1	1	<b>3</b>
Scholar transport	0	0	0	1	<b>1</b>
Change of vehicle	27	33	17	23	<b>100</b>
Change of vehicle capacity	1	0	3	0	<b>4</b>
Transfer of operating licenses	9	1	5	5	<b>20</b>
Deceased transfer and renewal	5	2	7	5	<b>19</b>
Reciprocal operating agreement	3	0	0	1	<b>4</b>
Additional authority	3	28	20	9	<b>60</b>
Conversion of a permit	0	0	0	3	<b>3</b>
Duplicate operating licenses	5	2	5	3	<b>15</b>
Temporary operating license	0	0	0	0	<b>0</b>
<b>Total applications handled</b>	<b>99</b>	<b>109</b>	<b>335</b>	<b>109</b>	<b>652</b>

### PROMOTION OF COOPERATION AND DIALOGUE

In an effort to proactively discourage Operators/Associations from resorting to disruptive and possibly property and life threatening actions, the Unit compiled a report titled ***"PROMOTION OF THE SPIRIT OF COOPERATION AND DIALOGUE: PUBLIC TRANSPORT SECTOR"***.

The said report chiefly sought to achieve the following messages:

1. Re-declaring Council's commitment, preparedness and preference of a dialogue route in pursuance of stable, effective and peaceful public transport operations.
2. Calling upon public transport operators to in words and most importantly actions, subscribe to the spirit of cooperation and dialogue when engaging issues, each other the authorities, and conduct themselves and their activities in such a manner that will not be disruptive, provocative and endangering lives and property

This report served before the uMhlathuze Public Transport Liaison Committee on 4 November 2015 and was ratified by Council on 1 December 2015. Emanating from the deliberations the following resolutions were supported by all stakeholder:

1. Council re-declares its commitment, preparedness and preference to follow a dialogue route in pursuance of stable, effective and peaceful public transport operations;
2. To promote efficient, stable and peaceful public transport, operators subscribe to the spirit of cooperation and dialogue when engaging issues, each other, the authorities, and they commit to conducting themselves in a manner that is not disruptive, provocative and endangering lives and property; and
3. It be noted that Council, as a Planning Authority reserves the right to take or recommend taking of necessary compliance enforcing measures in order to prevent any loss of life and damage to property.

Although operators were involved and participated during discussion of the report, the Unit, when addressing the Annual General Meeting held by Ubunye Regional Taxi Association on 9 June 2016 at Ngwelezana Hall, used the opportunity to encourage all Associations to abide by the spirit generally advocated by the report.

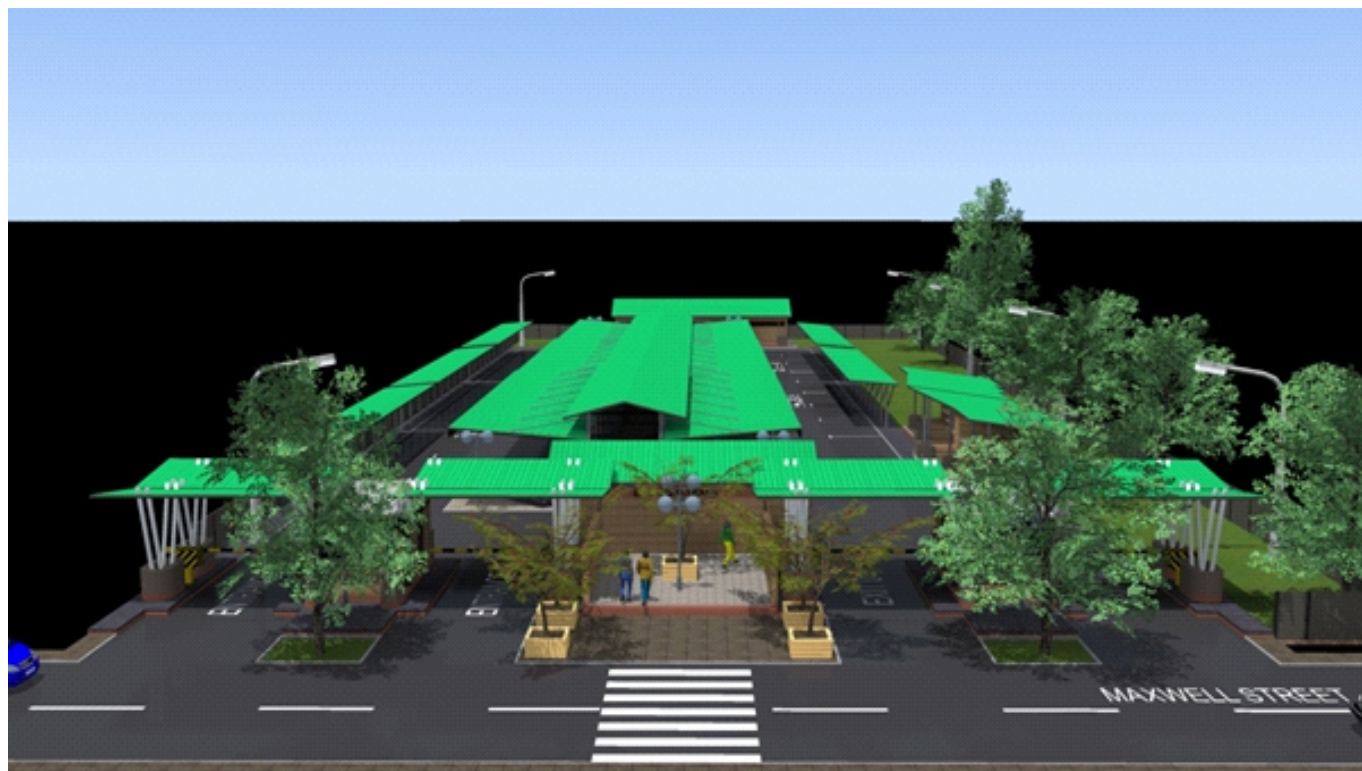
The taxi industry in particular, will always be unpredictable, due to the ever present low key inter associations rivalry and sense of suspicion towards the authority. It is cautiously trusted that the agreement reached, combined with other relationship gestures often pursued, should contribute in creating an atmosphere conducive to constructive engagements. The fact that discussions of this nature do occur is encouraging and should be viewed as an essential ingredient for a peaceful period ahead, especially as Council is preparing to tackle potentially sensitive measures aimed at implementing rank management system.

## RANK IMPROVEMENT PROGRAMME

The year 2015/2016 saw Council taking decisive action and signalling a shift from previous approaches and attitudes towards public transport. For instance, a budget of R7 million was allocated towards rank improvements. With the *“do more with less”* attitude, the following actions were successfully undertaken:

### LOT 63 UPGRADING PROJECT

Almost all existing public transport facilities require urgent and serious attention, however after careful consideration, it was deemed prudent to prioritize Lot 63 at Empangeni due to the most pressing and disaster threatening challenges it was posing. In order to obtain a better understanding of demand and operational a traffic study was commissioned. From the study, invaluable information and statistics were gathered. Based on the gathered information, land constraints and limited budget, the design displayed hereunder was developed:





This project is being implemented in line with the Empangeni Revitalization Program which Council is pursuing. The Lot 63 upgrading project is the first practical step attesting to Council's commitment towards achieving the objectives encapsulated in the said revitalization program.

A contractor has been appointed for the rehabilitation of Lot 63. The existing vehicle congestion and overcrowding characterizing activities at Lot 63, combined with the limited land, are factors that prompted consideration of an idea of only utilizing the facility as a loading area, post the upgrade. Since such an approach represented something new to the operators, in terms of their operational culture, extensive consultation were embarked upon to motivate the idea as well as reaching consensus on the suitable land that will be used as a holding area.

## **RICHARDS BAY CBD RANK**

The following pictures reflect views on how the proposed new and enhanced facility is set to look like after completion.



The finalization of the above shown detail designs is a significant step towards readiness to execute the project as soon as funding becomes available. Efforts are underway to seek funding assistance from other Government sources.

The grounds have been covered so far ever since the establishment of the Public Transport is indeed courageous. The Unit started operating in 2013.

## URBAN AND RURAL PLANNING

### LAND USE MANAGEMENT

#### Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 6: CROSS CUTTING		
Goals	Objectives	Strategies
6.1 Integrated Urban and Rural Development	6.1.3 To ensure effective Land Use Management and Building Management	6.1.3.1 Review and implementation of the uMhlathuze Land Use Scheme 6.1.3.2 Effective processing of development applications

In line with the above IDP Objectives, the following has been achieved as per the SDBIP for the year under review.

#### IMPLEMENTATION OF SPLUMA

Having considered the impact of fragmented pieces of Town Planning Legislation which caused racial inequality, segregation and unsustainable settlement patterns, the National Government saw the need to adopt a uniform National Planning Act. The Spatial Planning and Land Use Management Act, 2013 (SPLUMA) was assented to on 2 August 2013, and requires municipalities to adopt spatial development frameworks and land use schemes and empowers them to enforce land use schemes and approve applications for the rezoning of land, subdivision/consolidation of land, township establishment, removal, amendment and suspension of restrictive condition of title, consent use applications, etc.

Municipalities in KwaZulu-Natal have performed these functions since 2010 under the provisions of the KZN Planning and Development Act, 2008, and are therefore not unfamiliar with these types of applications. In addition, municipalities will now be required to also establish Municipal Planning Tribunals to decide applications, categorise applications, decide on appeals against decisions, etc. and also to establish Appeals Tribunals.

The Act is applicable to all land within the Municipal area, including land owned by the Ingonyama Trust Board. The Spatial Planning and Land Use Management Act commenced on 1 July 2015.

With regards to the implementation of the requirements of the Spatial Planning and Land Use Management Act, 2013, the Municipality has successfully implemented the following:

- The first uMhlathuze **Land Use Scheme** became effective on 7 January 2014. The Scheme has since been reviewed (effective from 25 June 2015), and a second review process will be undertaken during the 2016/2017 financial year. The process will be elaborated upon in the section that deals with Land Use Management.
- A SPLUMA compliant **Spatial Development Framework** was adopted in June 2016 and will be elaborated upon under the section that deals with Spatial and Environmental Planning.

#### *a) Establishment of a Municipal Planning Tribunal*

It can be reported that the uMhlathuze, Ntambanana and uMfolozi Municipalities agreed to establish the “uThungulu North Joint Municipal Planning Tribunal”. In line with the requirements of the Act, it has commenced with its operations and the names of the Tribunal Members were Gazetted in accordance with Government Gazette Notice No. 1639 of 10 March 2016.

#### *b) Establishment of a Municipal Appeal Tribunal*

Section 51 of the Spatial Planning and Land Use Management Act, 2013, deals with the establishment and functioning of a Municipal Appeal Tribunal. The Act states that a person whose rights are affected by a decision taken by a Municipal Planning Tribunal or an Authorised Official may appeal against that decision by giving written notice of the appeal and reasons to the *Municipal Manager* within 21 days of the date of notification of the decision. A Municipal Appeal Tribunal was established during the 2014/15 reporting period.

#### *c) Drafting of a Municipal Planning Bylaw*

The drafting of a Municipal Planning Bylaw in line with the requirements of SPLUMA has commenced. A comprehensive public participation process will be initiated during the 2016/2017 financial year.

#### PLANNING APPLICATIONS

Planning applications were submitted to the Municipality for decision-making in accordance with the provisions of the Spatial Planning and Land Use Management Act, 2013, and the KZN Planning and Development Act, 2008 to the Development Administration Unit.

Applications include rezoning, subdivision and consolidation of land, development of land situated outside scheme areas, phasing or cancellation of approved layout plans for subdivision or development of land, the alteration/suspension/deletion of restrictions relating to land and permanent closure of municipal roads and public places.

The section attended to the following planning applications received during 2015/2016:

	uMhlathuze Scheme Area			Outside Scheme Area	Total
	Rezoning	Sub-Division / Consolidation	Other / Combined Applications		
QUARTER 1	0	0	1	0	1
QUARTER 2	1	0	2	0	3
QUARTER 3	0	6	4	0	10
QUARTER 4	1	2	3	0	6

## LAND USE MANAGEMENT

### Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 6: CROSS CUTTING		
Goals	Objectives	Strategies
6.1 Integrated Urban and Rural Development	6.1.3 To ensure effective Land Use Management and Building Management	6.1.3.1 Review and implementation of the uMhlathuze Land Use Scheme 6.1.3.2 Effective processing of development applications

The Land Use Management Unit has development control and building control as its main responsibilities as further outlined hereunder. In line with the above IDP Objectives, the following has been achieved as per the SDBIP for the year under review.

### DEVELOPMENT CONTROL

Development Control promotes orderly development through regulation and management of land use within the City. As such, the section is responsible for processing the following types of applications:

- Special Consent
- Formal Authority
- Building Line Relaxation

The relevant applied policies and legislations are:

- Spatial Planning and Land Use Management Act
- Natal Town Planning Ordinance

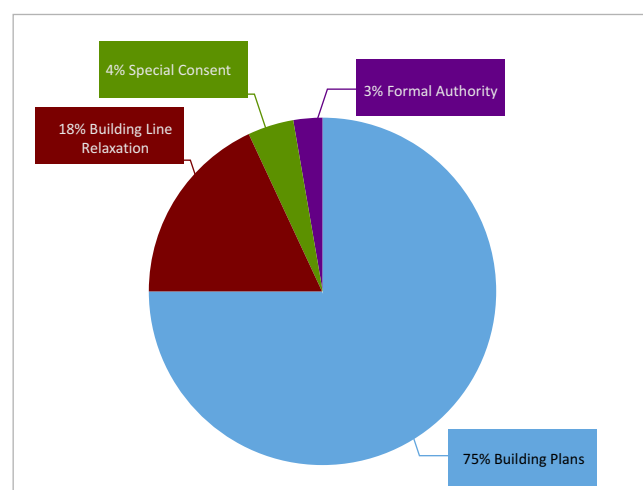
#### a) uMhlathuze Land Use Scheme

The current Land Use Management Scheme, which is the instrument whereby development rights of land located within the City of uMhlathuze is controlled and guided, has been in operation since January 2014 when it was adopted by Council. Its latest amendment was effected on June 2015. The desire of Council to apply a singular Land Use Scheme for the entire City in accordance with Spatial Planning and Land Use Management Act, 2013 (SPLUMA) and KZN Planning and Development Act, 2008 (KZNPDPA) is in course of finalisation, and as such processes have been streamlined relating to land development applications.

In the 2016/17 financial year, Council will commence with the development of a wall-to-wall scheme inclusive of the entire municipal jurisdiction, also incorporating wards inherited from Ntambanana Municipality. This will assist greatly in incrementally introducing regulation of land uses in previously excluded areas, and will contribute immensely to orderly development within the City.

#### b) Land Development Applications

Various applications for council's Special Consent and for the rezoning of properties were dealt with and Council's exempted authority status has contributed to the fast-tracking of applications, taking due cognizance of statutory requirements which need to be followed in the process. Apart from normal day-to-day responsibilities carried out by staff located in the Richards Bay and Empangeni offices, the following numbers of applications were dealt with during the 2015/2016 financial year:





APPLICATION TYPES	Nr	%
Building plans	536	75
Building line relaxation	127	18
Special Consent	29	4
Formal Authority	18	3
	<b>710</b>	<b>100</b>

## BUILDING CONTROL

Building control promotes the structural integrity of all structures erected within the City. Before commencement of alterations or additions to dwellings or constructing a new building, law requires building plans for such work to be passed in terms laws that apply.

- National Building Standards and Regulations Act
- Spatial Planning and Land Use Management Act
- uMhlathuze Land Use Scheme

The table below reflects the following:

- Number of building plans submitted during over three financial years
- Estimated building cost of proposed buildings and structures over three financial years

FINANCIAL YEAR	TOTAL NUMBER OF BUILDING PLANS SUBMITTED DURING FINANCIAL YEAR	TOTAL ESTIMATED BUILDING COST OF PROPOSED BUILDINGS AND STRUCTURES
2013/2014	476	424 129 800
2014/2015	395	359 203 600
2015/2016	536	442 960 000

From the above it is clear that steady growth investment is taking place in the City of uMhlathuze from a developmental point of view, despite a slump being experienced in the country's economy. Building control remains a challenge due to illegal structures being constructed and appropriate punitive action is taken and/or advisory services are rendered.

## SPATIAL AND ENVIRONMENTAL PLANNING

NATIONAL KPA 6: CROSS CUTTING		
Goals	Objectives	Strategies
6.1 Integrated Urban and Rural Development	<p>6.1.1 1 To plan for areas for future development and formalisation</p> <p>6.1.1 2 To promote environmental conservation and protection</p>	<p>6.1.1.1 Review the Spatial Development Plan for adoption by Council.</p> <p>6.1.1.2 Development of Rural Framework Plans</p> <p>6.1.1.3 Development of Urban Framework Plans</p> <p>6.1.1.4 Development of Rapid Urbanisation Management Plans</p> <p>6.1.1.5 Developing Commercial precinct plans for all suburbs</p> <p>6.1.2.1 Developing a Strategic Environmental Assessment for the entire municipal are</p>

Here is an outline of the work done for the year under review in respect of the Spatial and Environmental Planning Unit in line with the IDP Objectives outlines above.

## SPATIAL DEVELOPMENT FRAMEWORK

The Spatial Development Framework (SDF) is the visual presentation of the municipality's development vision and strategies; hence it reflects the current reality, but also the logical future development options.

A SPLUMA compliant Spatial Development Framework was adopted in June 2016. The Spatial Development Framework provides a long term development vision of the municipality and it provides a development direction to both public and private investors. The 2016/2016 Spatial Development Review main focus was Spatial Transformation and spatial equity which addresses a number of socio-economic challenges. It also provides strategies on how the municipality should plan future developments especially in the townships and traditional authority areas.

The Municipal Spatial Development Framework also provides Land Use Scheme guidelines to ensure that development processes are flexible and that land use application procedures are streamlined to fast track development initiatives.

**Spatial Development Framework 2013 (SDF)**

**uMHLATHUZE LOCAL MUNICIPALITY**  
DEPARTMENT - CITY DEVELOPMENT

Contact:  
Fax: 031-967-1444  
Email: [info@umhlathuze.gov.za](mailto:info@umhlathuze.gov.za)  
[www.umhlathuze.gov.za](http://www.umhlathuze.gov.za)

**Legend**

- Primary Node
- Secondary Node
- Strategic Node
- Emerging Primary Node
- KZN282 Municipal Boundary
- uMhlathuze Local Municipality
- uMkhosi Local Municipality
- Road Network 2009
- Proposed Developments
- uMhlathuze Local Municipality
- Urban Fringe
- Rural
- Water Bodies
- Port Facilities
- Port Office Area
- Core area of Environmental Significance
- Special Interest Area
- Protected Open Space
- Long Term Port Future Zone
- Proposed Expansion Area
- Conservation
- Environmental Protection
- Local Authority Areas
- Commercial Potential

**DATE OF AERIAL PHOTOGRAPHY: 2013**

**SOURCE: CITY OF UMLATHUZE**

**PROJECTION: WGS 1984 (NAD2011)**

**KZN282**

1. Land Distribution and Development (Brown and Green fields)
2. Public Transport Planning
3. Economic Development and Economic Opportunities
4. Social Development
5. Integrated Human Settlement

City Of uMhlathuze 121 Annual Report 2015/2016

## Summary of Spatial Transformation Interventions

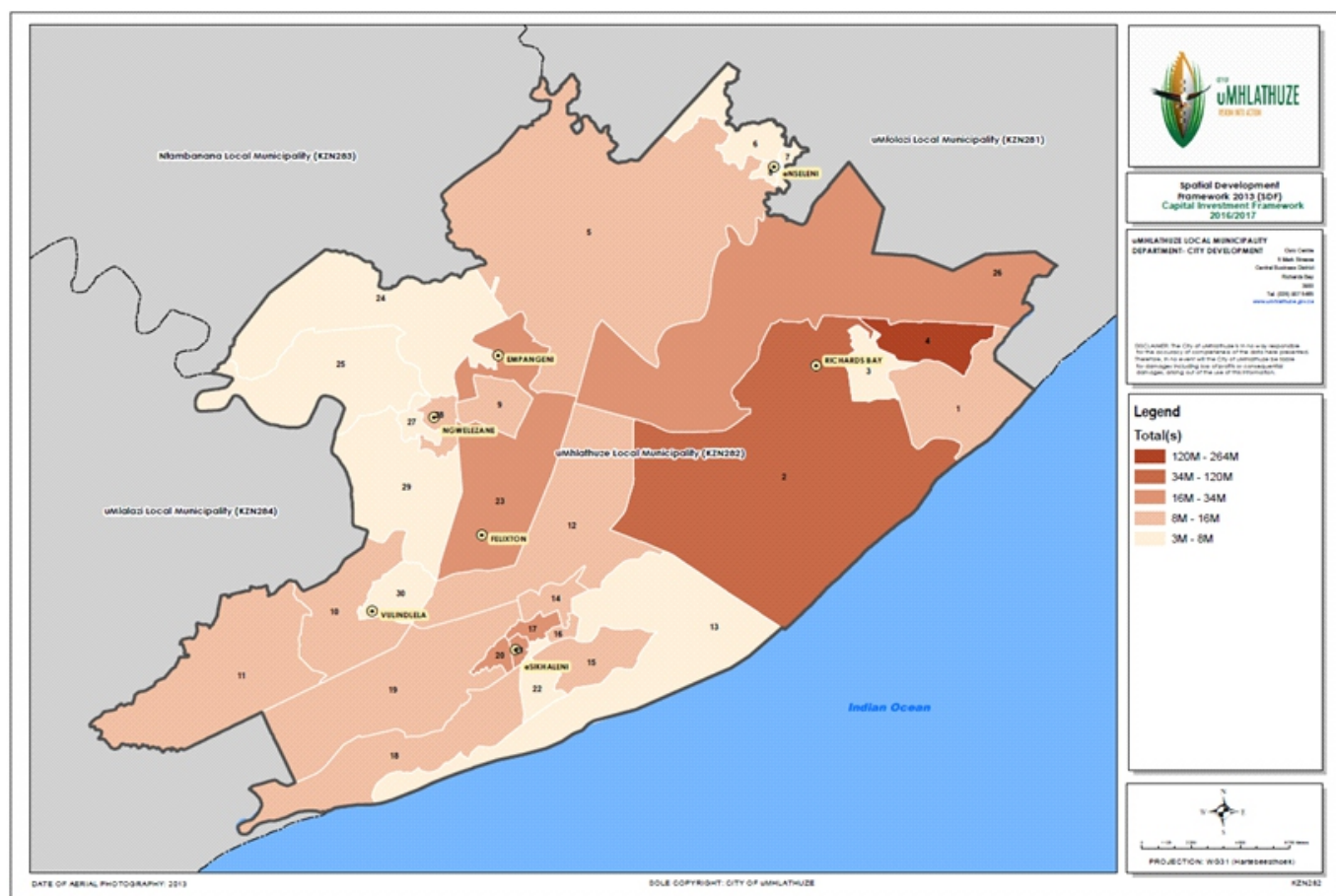
Spatial Transformation Pillar	Project	2016/2017	Core SDF Elements					
			Nodes & Corridors	SDF Expansion Areas	Integrated Human Settlements	Urban Renewal & Precinct Planning	Public Transport Facilities	Catalytic Projects
Land Distribution & Development	• Land Audit							
	• Review of Land Disposal Policy					x		
	• Rural Settlement Plans							
Public Transport Planning	• Taxi Facility upgrade	R 7 000 000					x	
Economic Development & Development Opportunities	• 132KV Oil filled cables between Hydra and Capella substations (South Dunes)	R100 000 000	x					
	• Esikhaleni Intersection	R18 000 000	x					
	• Road upgrades Empangeni & Aquadene	R20 000 000	x		x			
	• Nseleni & Empangeni Market Stalls	R7 000 000	x					
	• Richards Bay SMME Park	R5 000 000				x		
	• Steel Bridge designs	R1 000 000						x
Social Development	• Esikhaleni Transfer Station	R1 500 000	x					
	• Urban Design concept for The Ridge	R320 000						x
	• Urban Design Concept for the Richards Bay ICC	R320 000						x

Spatial Transformation Pillar	Project	2016/2017	Core SDF Elements					
			Nodes & Corridors	SDF Expansion Areas	Integrated Human Settlements	Urban Renewal & Precinct Planning	Public Transport Facilities	Catalytic Projects
Integrated Human Settlement	• Aquadene Electrification	R9 000 000	x		x			
	• Aquadene Bulk Water	R5 000 000	x		x			
	• Aquadene Bulk Sewer	R5 000 000	x		x			
	• Mzingazi Sewer	R7 000 000	x		x			

The following mapping of the municipal Capital Investment Framework for the MTREF is also contained in the SDF Review.



## 2016/2017 Capital Investment Framework



## HIERARCHY OF PLANS

A hierarchy of plans is being developed in aid of implementing the municipal SDF. These plans are prepared for a range of areas with various purposes as outlined further hereunder.

### a) Steel Bridge Redesign Conceptual Redesign

The prime location of the Richards Bay attracts a diverse range of users that evokes a proud sense of place and culture in the region. The area has developed as a playground for boating and water sports enthusiasts. As such, the Richards Bay Waterfront accommodates a small craft harbour, where luxurious ocean yachts dock. In addition, an upmarket office complex, numerous shops, pubs, restaurants, luxurious accommodation and walk on moorings in this precinct all add to the vibrant atmosphere of the area.

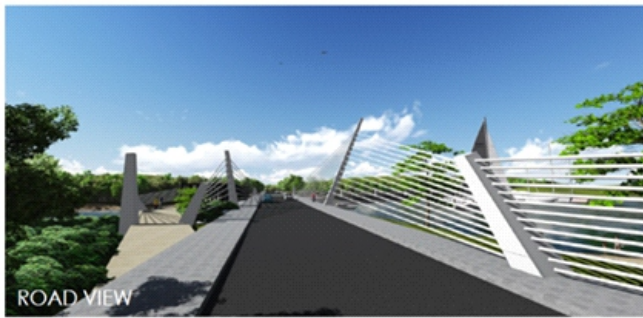
The Richards Bay Steel Bridge has a Bailey Bridge design, associated with military operations that requires limited engineering and is convenient to assemble. The bridge was developed with the sole intention of serving the Tuzi Gazi residential estates and re-constructed in the 1990's after heavy flooding washed away the previous bridge.

The utilisation of the bridge has increased significantly and it now serves a thriving economic and tourism hub being the primary access that spans over the Mzingazi Canal to the Waterfront.

This one-way Steel Bridge that is controlled by traffic signals on either end that poses a number of operational constraints in terms of its height and width restrictions to the economic and tourism hub that it serves. The conceptual redesign of the bridge has been initiated to propose a replacement bridge concept for the Mzingazi Canal crossing. The bridge concept has to be more functional than the existing Steel Bridge and will become the signature emblem for the Richards Bay Waterfront.

The overall intention of this project was to lay the proverbial foundation for the development of an iconic bridge structure, in order for the area to reach its full potential.

## Steel Bridge Urban Design Concept



### b) National Upgrading and Support Programme

The Municipality has prepared the following Municipal Informal Settlement Upgrade and Relocation Plans for the following seven identified settlements as part of the National Upgrading Support Programme (NUSP):

- uMzingwenya River Settlement Plan
- Mzingazi Village Settlement Plan
- Mandlazini Village Infill Areas Plan
- Mandlazini-Airport Settlement Plan
- Vulindlela/UniZulu Settlement Plan
- Ngwelezane Hospital Settlement Plan
- Nseleni Settlement Plan

The National Upgrade Support Programme (NUSP) aims to assist Municipalities and Provincial Departments in achieving their Delivery Agreement targets, while at the same time promoting incremental upgrading, participatory planning and livelihoods-based approaches to the upgrading of informal settlements. The National Upgrade Support Programme is an important initiative which works closely with government at all levels in achieving Output 1 of Outcome 8, i.e. Sustainable human settlements and improved quality of household life.

### The uMzingwenya River Settlement



The main purpose of the Informal Settlement Upgrading and Relocation Plan is to determine which settlements will be fully upgraded, which ones will be partially upgraded and the identification of areas where people can be relocated to due to the nature of land where they are situated.

**More specifically, the key project outputs are as follow:**

- Community engagement and participation including Participative Community Action Planning (PCAP).
- Socioeconomic field survey of a sample of households.
- Technical studies focussing on geotechnical conditions, environmental factors, land legal issues, bulk services availability, land developability assessments and plans showing developable and undevelopable land.
- Engineering services assessments, desktop design and preliminary services layouts.
- Preliminary settlement planning layouts.
- Settlement assessments and upgrading plans
- The development of preliminary cost estimates in MTEF format to guide future investment in settlement upgrading.

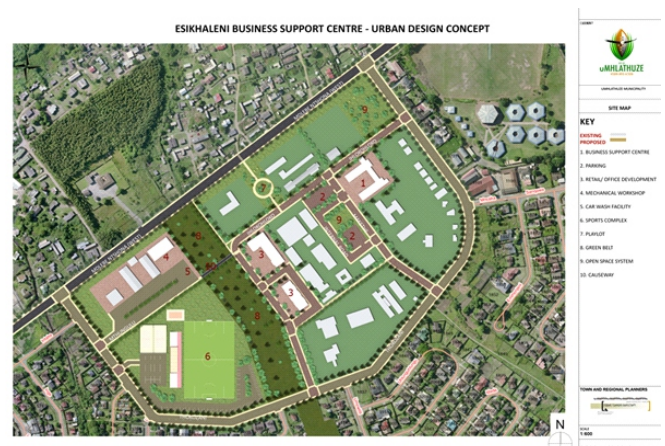
The go-ahead has been received from the Department of Human Settlements to proceed with the implementation of the uMzingwenya Slums Clearance project following the completion and adoption of the National Upgrading Support Programme in uMhlathuze.

### c) Esikhaleni Business Support Centre Urban Design Concept

During February 2016 Council adopted an Urban Design Framework for the eSikhaleni Business Support Centre. The proposed eSikhaleni Business Support Centre will be located on Erf H1077, eSikhaleni.

The urban design framework does not only focus on the Business Support Centre planning, but also considers a revitalising strategy for the study area with an intention to create a landmark gateway that promotes urban restructuring, sustainable communities, the use of old government buildings, economic development, poverty alleviation and environmental sustainability.

### eSikhaleni Business Support Centre Urban Design Concept





## HUMAN SETTLEMENT PROGRAMMES

### Relevant Council Goals, Objectives and Strategies

NATIONAL KPA 2: BASIC SERVICES AND INFRASTRUCTURE PROVISION		
Goals	Objectives	Strategies
2.1 Integrated Urban and Rural Development	2.1.3 To promote the achievement of a non-racial, integrated society, through the development of sustainable human settlements and quality housing	2.1.3.1 Improve community standard of living through accelerated development of houses in rural areas 2.1.3.2 To provide housing for vulnerable groups 2.1.3.3 To provide low-cost housing (urban)

NATIONAL KPA 6: CROSS CUTTING		
Goals	Objectives	Strategies
6.1 Integrated Urban and Rural Development	6.1.1 To plan for areas for future development and formalisation	6.1.1.6 Review of Human Settlement Sector Plan

Hereunder is an outline of the work done for the year under review in respect of the Human Settlements Unit in line with the IDP Objectives outlines above.

### HOSTEL REFURBISHMENT

The refurbishment of hostels is a programme funded by the Department of Human Settlements under the old Hostel Re-development Programme which has now changed to Community Residential Units (CRU). One of the objectives of the programme was to promote human living conditions and also include plans for accommodating those who are displaced by the project at Dumisani Makhaye Village Housing Project.

The first phase of the project was the conversion and refurbishment of all hostel units, the second phase intends to replace the asbestos roof covering (as the current project only included repair and cleaning), with the third phase intended for the landscaping, i.e. parking, grassing, subsoil drain system and play areas provided funding is available.

Since the inception of the programme in 2002, six (6) hostels (**306 units**) have been refurbished with 3 blocks (**54 units**) remaining.

The Bhambatha Flat refurbishment of the two blocks (Block A and B) was completed in May 2015. The Contractor for the refurbishment of the remaining three blocks (Block C, D and E) commenced work in May 2016 and 33% of work has been done.

Hostel Name	No. of Units	Status
Bhambatha (H396)	90 (5 blocks)	2 blocks (36 units) Refurbished 3 blocks (54) Refurbishment underway

### Bhambatha Hostel under Refurbishment (H396)





uMhlathuze Municipality approved funding for the second phase of the project being the replacement of the asbestos roof covering with more suitable, safe, healthy and environmentally friendly alternative technology, i.e. galvanised profile metal sheeting (0.53 mm thick Zincalume roof sheeting in IBR profile).

The contractor was appointed during the 2015/16 financial year for roof replacements at Sokesimbone Flats (J223), Madala Flats, King Cetshwayo Flats (H862) and Chief Albert Flats (H395). Work commenced on site in May 2016 and it is anticipated to be complete by 30 July 2016.

## RURAL HOUSING PROJECTS

To date all 1 200 houses at KwaBhejane/Khoza project have been constructed with 766 houses constructed in this financial year (2015/16) and handed over to the approved beneficiaries. The retention period is now being observed for the houses which were constructed on both the first and second quarter. The project has been completed.

Project Name	No. of Units	Houses Built
Bhejane/Khoza	1200	1200 project complete

## URBAN HOUSING PROJECTS

### a) Dumisani Makhaye Village

Phase 7 comprising of 547 houses is nearing completion and 4 houses were built in this financial year making the total number of houses built in phase 7 to 536.

### b) Urban Projects at Planning Stage

Project Name	No. of Units Planned	Project Status
Aquadene	2416 (RDP, CRU, FLISP, SH)	<ul style="list-style-type: none"> <li>Project is still at planning stage</li> <li>Installation of bulk services commenced during in February 2016.</li> <li>Municipality to commence with construction of stormwater, outfall sewer and roads.</li> <li>Town Planning application for the township establishment was approved by Council 30/03/16.</li> </ul>
eMpangeni Mega Project	10 000 (RDP, CRU, FLISP, SH)	<ul style="list-style-type: none"> <li>Project is still at Planning Stage</li> <li>Phase 1A is approved with no amendment in terms of the existing Development Facilitation Act (DFA) approval.</li> <li>Phase 1 B has been amended and re-submitted to the municipality for approval.</li> <li>Phase 2 the overall concept was supported by Council and the service provider has prepared the town planning application for submission and approval by the municipality.</li> </ul>
Mzingwenya slums clearance	In-situ upgrade and relocation	<ul style="list-style-type: none"> <li>Project is still at planning stage</li> <li>Feasibility studies are being conducted by the appointed service provider.</li> </ul>
Dumisani Makhaye Village Phase 6 and 8	FLISP: 82 CRU/Social:1000 Low income: 130 Total: 1212 (RDP, CRU, FLISP, SH)	<ul style="list-style-type: none"> <li>Stage 1 application pack: Planning &amp; Design submitted to the Department of Human Settlements.</li> <li>Preparation of Stage 2 (Infrastructure and Services) Application Pack.</li> </ul>

## ENHANCED EXTENDED DISCOUNT BENEFIT SCHEME

In terms of the Old Housing Stock (R293), one hundred (100) properties were transferred to the qualifying beneficiaries in accordance to the Enhanced Extended Discount Benefit Scheme (EEDBS) in this financial year.

## ACCREDITATION

The City of uMhlathuze Municipality was accredited with Level II accreditation status by the KZN Department of Human Settlements in 2012 and the Implementation Protocol (IP) was signed in March 2013. This was a three (3) year term agreement expiring on the 6<sup>th</sup> of March 2016. The agreement was extended for another three months which expired at the end of June 2016. Assessments were conducted in April 2016 and the new implementing Protocol (IP) will be signed in the new financial year.

## NATIONAL HOUSING NEED REGISTER (NHNR) WORKSHOP

Councillors were workshopped on the 25<sup>th</sup> of May 2016 on the National Housing Needs Register (NHNR) by the KZN Department of Human Settlements. The National Housing Needs Register is a tool that will be used for planning and allocation purposes. The municipality awaits the launch of the programme by the MEC for KZN Human Settlements which is anticipated in the new financial year.

## HOUSING CONSUMER EDUCATION

The eSikhaleni Flats Tenants Awareness Programme was conducted in all six (6) hostels during the 2015/2016 financial year. The purpose of the training was to refresh the owners' understanding of their rights and obligations under the sectional title scheme and consequences thereof of not adhering to the rules and regulations. In addition, tenants understanding of the management principles of the Body Corporate setup and the roles and responsibilities of the management agent and of the municipality under the scheme. The awareness covered the following topics:

1. Lease Agreements
2. Sectional title vs Title Deed.
3. How does the sectional title operate (body corporate, maintenance).
4. Revival of LNG Committee.
5. Municipal Accounts (Payment of Rent and services)
6. Waste Management (Waste Collection, keeping flats clean)
7. Water and Sanitation (Maintenance)
8. Electricity (health and safety)

The Hostel Local Negotiation Group (LNG) was also revived in May 2016 to assist with addressing all hostel/flat matters. New members of the committee will be nominated in the coming financial year as their terms of office will be expiring in August 2016.

## ACHIEVEMENTS

In 2015 the City of uMhlathuze again participated in the Provincial Govan Mbeki Awards. The Municipality was awarded:

- Best Performing Level II Accredited Municipality
- Best Implementing Agent: Linda Masinga & Associates
- The runners' up for Madlebe Rural Housing Project

In 2015 the City of uMhlathuze was also awarded at the National Govan Mbeki Awards for Best Performing Level II Accredited Municipality.

# FINANCIAL SERVICES



**Mxolisi Kunene**  
Deputy Municipal Manager

**Strategic priority: Sound Financial Management both departmentally and throughout the Municipality**

## FINANCIAL OVERVIEW

The review sets out to highlight the Municipality's performance for the past year. Full details appear in the audited Annual Financial Statements. The municipality is financially viable and sustainable.

National Treasury through their annual assessment of the budget has found the municipal budget to be funded, credible and sustainable for five consecutive years.

This achievement has been a team effort from all within the finance department.

## SECTIONS WITHIN THE DEPARTMENT

The following are the sections within the finance department under the control of the CFO:

- Administration and Strategic Planning
- Financial Support, Budget Process Management, Budget Reporting, and Expenditure Management
- Financial Accounting, Reporting and Assets Management
- Creditors, Loans, Investments and Cash Management
- Supply Chain Management
- Income Billing Management and Reporting
- Customer Relations Management
- Credit Control, Debt Collection & Indigent Support

## OVERVIEW OF THE MUNICIPALITY'S FINANCIAL RESULTS

The steady progress made to date evidenced by a better cash coverage ratio and an increased ability of the Municipality to contribute towards its own capital projects have been the critical milestones of the municipality.

The financial performance of the municipality has been accurately forecasted with marginal deviation to the operational budget when comparing actual results to the budget. The cascading of performance information to all management levels with the organisation is another initiative that will bring accountability and ensure that departmental managers ability to plan, organise control and lead is evaluated at period intervals hence allowing for early detection of areas of weakness.

## EXECUTIVE SUMMARY OF KEY FINANCIAL ACHIEVEMENTS FOR THE YEAR UNDER REVIEW

### SOUND FINANCIAL MANAGEMENT

The leadership of the CFO together with immediate management has now completed a seventh year financial plan which includes amongst others an organization structure with specialized divisions in internal and external service delivery and financial management support for the Municipality as a whole. The strategy has been to:

- Be clear with the priorities or focus areas of attention for the department therefore eliminating any possible confusion of the future direction of the department.
- Ensure that the top management within the department are effective.
- Ensure the level of leadership within the department sets a professional tone and are exemplary of the ethos that is expected from employees.
- Ensure communication is enhanced such that even though each unit is specializing, information sharing is the culture so that accounting standards and internal controls are debated, thus learning takes place.
- The development of staff and monthly departmental meetings and contract management is done.

Evidence of very good work in progress as at the end of 2015/16 is clearly visible by:

- Maintaining the Clean Audit Finding by the Office of the Auditor General;
- Sound Liquidity Situation;
- Credible and Funded Budgets;
- Cash Backed Reserves, carried over Grant Funds and carried over unspent Borrowings;
- Finance Department Divisions working more in the collective than in silo's;
- Quality of Financial Reporting being amongst the best in the Country;
- Quality of Credit Control & Debt Management being the best in the Country;
- Quality of Creditors Management being the best in the Country;
- Quality of Inventory Management being amongst the best in the Country;
- Quality of Billings being close to faultless with one of the fairest socio/economically structured Tariffs in the Country;
- Selected by National Treasury to pilot the introduction of a costing segment to the Country's public sector Standard Chart of Accounts (SCOA) and successfully completed;
- Selected by National Treasury to pilot the whole of the MSCOA reforms in preparation for Country-wide implementation from the 1<sup>st</sup> July 2017.
- Partially successful in the implementation of MSCOA on 1 July 2015. It is expected that most of the teething problems to be ironed out during the 2016/17 financial year.



## CONTRIBUTION TO OUR DEVELOPMENTAL OBLIGATIONS

### Supply Chain Management Division

- Council's approved Supply Chain Management Policy promotes inter alia local economic development and support Community based Vendors.
- It also assists the Operation Sukuma Sakhe (OSS) which is the KwaZulu Natal Provincial Government to address the social ills and poverty alleviation.

### Income Division

- Providing the lowest priced basket of services to all our Consumers with one of the widest range of free basic services for the poor and indigent residents of our Municipality, in the Country;
- Providing "Consumer Specific" indigent support to parentless households and to destitute households;
- The e-UMHLATHUZE portal, which is a payment portal to make access to account statements easier via electronic means has been very successful and more convenient for rate payers.
- The traditional area customer sms statement option to mitigate the postage shortcomings.
- Continued customer focused service.
- The cost of electricity from third party vendors is the same as procuring electricity at the municipal offices and are widely used by customers.

## EXPENDITURE DIVISION

The following are the 3 Sections key achievements. These were accomplished despite the implementation of a new municipal chart (MSCOA) together with a new financial system for the Supply Chain and Expenditure system including the main General Ledger.

### Creditors and Cash Management Section

**As part of the Municipality's developmental obligations and sound financial management these are key activities in developing and assisting our community:**

- The Creditors Section facilitated the training of six interns across all major sections of the Finance Department in the financial year. Rotations as well as Personal Development Plans were developed for interns. The progress with this program is very good, especially in the absence of other institutional platforms providing a suitable stepping-stone for aspirant local government financial managers.
- Providing cash flow relief for our SMME vendors by paying invoices within 7 days;
- The signing of Cession agreements with primary suppliers, to assist SMME's to receive their materials on time;
- Guaranteeing every single creditor who has their invoices and associated orders "GRN'd", payment within 30 Days. The Municipality has no creditor payments outstanding more than 30 Days;
- Greater emphasis is being placed on maintaining a healthy and positive relationship with Council's suppliers. This endeavor was sadly prejudiced by the new system development during the course of the year.
- Stricter controls are being implemented in the payment/procurement process between Municipal user departments and suppliers in ensuring Supply Chain Management processes are followed.
- The section also ensures that available Municipal funds are managed on a daily basis. Council has only short term funds available, hence are invested likewise accordingly. The balance of funds invested as at 30 June 2015 was R432 million (2015 – R405 Million). This marginal increase, despite the fact that we were carrying the 2014/15 and 15/16 capex financed through loans by our working capital. This is a 100% improvement in comparison to the year prior 2013 and achieved in a depressed economy.
- The Section has managed the highest short-term investment portfolio in the history of the Municipality to date and doubled its earnings on short term investments year on year.

### Financial support, budget process management and budget reporting section

The process of planning to the approval of each MTREF (Medium Term Revenue and Expenditure Framework) is a continuous cycle, commencing immediately after the ensuing years MTREF is approved by Council.

The process of planning to the approval of each MTREF (Medium Term Revenue and Expenditure Framework) is a continuous cycle, commencing immediately after the ensuing years MTREF is approved by Council.

Following the budget participation process any amendments that have been identified by the community are incorporated into the Final 2015/16 Budget and Medium Term Revenue and expenditure Framework (MTREF). Council adopted the 2015/2016 MTREF on 26 May 2015.

In light of the endeavour by National Treasury to ensure that municipalities prepare a budget document that provides concise and understandable financial and non-financial information, which will ensure that informed decisions are made to promote effective financial management and service delivery. By ensuring that the allocation of financial resources is aligned to service delivery targets it will be clear what services are being promised when budgets are approved.

National Treasury decided to create a template called "Batho Pele City" as a guide for municipal officials responsible to produce their real municipal budget documents.

The aim of Budget Guide is to provide more detailed guidance on the format and content of a municipal budget so as to ensure full compliance with both the letter and the spirit of Schedule A of the Municipal Budget and Reporting Regulations.

In light of the above, Council's Tabled and Adopted Budget report was prepared in line with the template provided by National Treasury.

An exceptional exercise in the 2015/16, was the implementation of MSCOA on the new system. Although MSCOA is a business reform that requires transformation from the whole administration, the core operational steering team came from the Expenditure Division. This was done in addition to the continued high standard of budget, control, reporting and support.

Financial support section also includes payroll administration. The payroll administration section ensures that 2000+ employees (including 60 councillors) are paid their monthly salaries and allowances timeously and accurately. In order to achieve this strict deadlines are required to be met.

## Financial accounting, reporting & asset management

The functions of this section include ensuring that the Annual Financial Statements are completed and timeously submitted to the Auditor General for auditing purposes and that the Municipality has GRAP compliant Financial Assets Register.

It needs to be noted that this section has produced unqualified annual financial statements for the last 15 years. It is also the lead section in achieving, what in South Africa is referred to as a "Clean Audit".

## Supply Chain Management

### Statutory reporting & compliance

Monthly reports have been submitted in respect of procurement of goods and services in terms of each required regulation of the Supply Chain Management Policy of the Council.

Training of all bid committee members on their roles and responsibilities was done by Provincial Treasury. Training on the oversight role of Council was conducted with Councillors by Provincial Treasury.

### Controlling Expenditure

The Supply Chain Management Unity (SCMU) scrutinizes all Requisitions for material and verifies that the correct Budget as per the SDBIP is utilized for the procurement of materials and services.

It will be noticed that compared to previous years, the value of orders placed by the Supply Chain Management Unit has increased substantially, which indicates growth in the orders processed by SCMU.

2009 / 2010 total transactions:	R 104,221,294.00
2010 / 2011 total transactions:	R 166,969,064.00
2011 / 2012 total transactions:	R 256,852,052.24
2012 / 2013 total transactions:	R 435,584,919.73
2013 / 2014 total transactions:	R 878,899,965.76
2014 / 2015 total transactions:	R 822,316,543.30
2015 / 2016 total transactions:	R 1,133,255,526.53

## Materials Management

Total discrepancies for 2015/16 were as follows:

- o **Shortages** - R 1 500 987.53
  - The major component was attributable to fuel and oil which are subject to various environmental factors
- o **Surpluses** - R 1 524 490.57.
  - The net effect is a surplus of R23 503.

The above figures, measured in the context of total value of orders managed by the SCMU, is a reflection of good management of supply chain management, especially if we consider the challenges we experienced with the new system

## STATEMENT OF FINANCIAL PERFORMANCE

### Summary

#### Revenue

The 2015/16 financial performance has seen the municipality reporting a Net operating surplus after five years of successive deficits from the 2010/11 financial year. This comes at a time when the pricing risk strategy of the municipality has been fully implemented. The gradual increase tariffs have allowed for the revenue streams to be more aligned when the municipal basket of services are compared to other secondary cities. The universal approach to household affordability ensures that the tiered tariffs which cater for the poor and indigent are addressing the societal income gaps that exist.

The Rates base of the City has increased by R 35 million which is 10 per cent year on year comparison (this includes a 6 percent increase in rates tariff). National and provincial grants and subsidies allocations have increased by R 36 million. The total allocation of R492 million still only represents only 18 percent of the City sources of revenue.

The revenue from exchange has grown by 2 percent on year on year comparison. This has been primarily due to economic decline and the drought.

The City reported a net operating surplus of R124 million (surplus R149 million for 2015).

Despite the massive investments already made, more funding is still required on the asset renewal and replacement programme and presently the demand for which continues to outstrip the City's supply resources.

#### Expenditure

The main expenditure items are employee costs and bulk purchases. Collectively this items account for R 1,640 billion which is 63 per cent of the total expenditure budget of R 2,599 billion.

Repairs and maintenance expenditure increased by R 10 million which is 8% from previous year.

The overall summarized operating results for the Municipality in comparison to the approved budget are shown below. The statement of financial performance reflects a summary of income and expenditure.

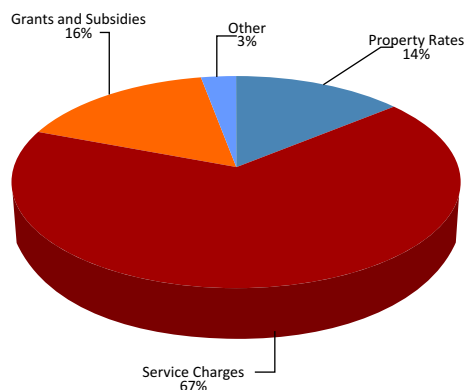
Actual Cersus Budget R'000	2016 Actual R'000	2016 Budget R'000	2015 Actual R'000	2015 Budget R'000	Growth % 2016	Growth % 2015
<b>Net Operation Surplus</b>	<b>124 266</b>	<b>258 112</b>	<b>149 252</b>	<b>186 006</b>	<b>-17%</b>	<b>80.2%</b>
<b>Operation Revenue</b>	<b>2 723 951</b>	<b>2 732 983</b>	<b>2 737 981</b>	<b>2 513 946</b>	<b>-1%</b>	<b>189.0%</b>
Property Rates and Service Charges	2 084 147	2 126 955	2 012 006	1 975 675	4%	101.8%
Grants and Public Contributions	497 248	529 128	461 212	471 631	8%	97.8%
Other	142 556	76 900	264 763	66 640	-46%	397.3%
<b>Operating Expenditure</b>	<b>2 599 686</b>	<b>2 474 871</b>	<b>2 588 729</b>	<b>2 327 940</b>	<b>0%</b>	<b>11.8%</b>
Employee Benefits	592 773	629 901	533 157	561 455	11%	95.0%
Finance Costs and Depreciation	410 040	284 820	411 198	260 004	0%	158.2%
Bulk Purchases	1 047 811	1 063 124	1 100 661	1 065 919	-5%	103.3%
Other	549 062	497 026	543 713	440 562	1%	123.4%

## OPERATING REVENUE

The major operating revenue streams that supported the Municipality's programs and activities were:

- Property Rates
- Services charges which are made up of
  - Electricity sales;
  - Water sales;
  - Wastewater management(sewage and sanitation);
- Government operating grants
- Other

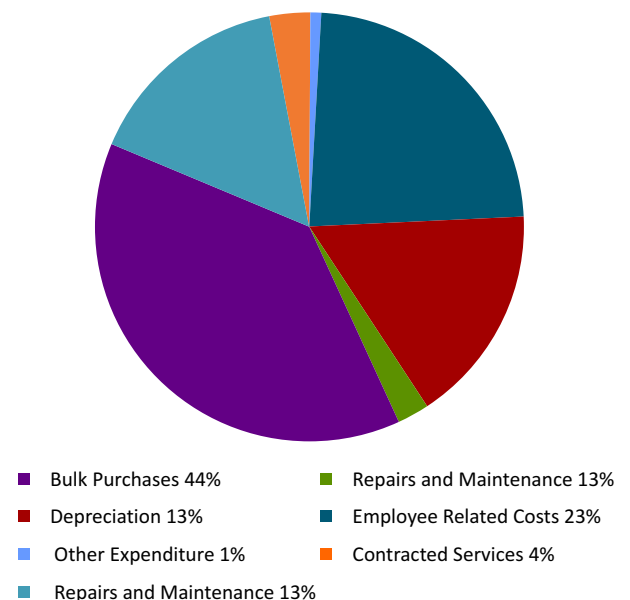
### ACTUAL OPERATING REVENUE 2015/16 BY SOURCE



## Operating Expenditure

The cash flow recovery plan put forward to council by the finance department supported by the entire municipal administration has managed to yield good results in the control and containment of costs. The reduction of finance costs was as a result of council not taking up any further loan but reducing the existing debt that the municipality has.

### ACTUAL EXPENDITURE BUDGET 2015/16 BY CATEGORY



## SPENDING AGAINST CAPITAL BUDGET

Capital expenditure incurred during the year amounted to R393,7 million which represents 79% (2015: 91%) of the approved capital budget. It is clear that there has been an increase in capital spending. Below is the funding mix of capital expenditure.



Capital Funding R'000	2016	2015	2014	2013	2012
	R	R	R	R	R
Own Funds	70 338	147 302	45 246	25 018	11 833
Loan Funding	96 365	86 952	70 198	33 829	22 907
Grant Funding	227 079	220 118	139 273	56 190	52 303
<b>Total Capex</b>	<b>393 781</b>	<b>254 717</b>	<b>115 037</b>	<b>87 043</b>	<b>86 176</b>
<b>% Spent</b>	<b>79%</b>	<b>91%</b>	<b>54%</b>	<b>49%</b>	<b>49%</b>

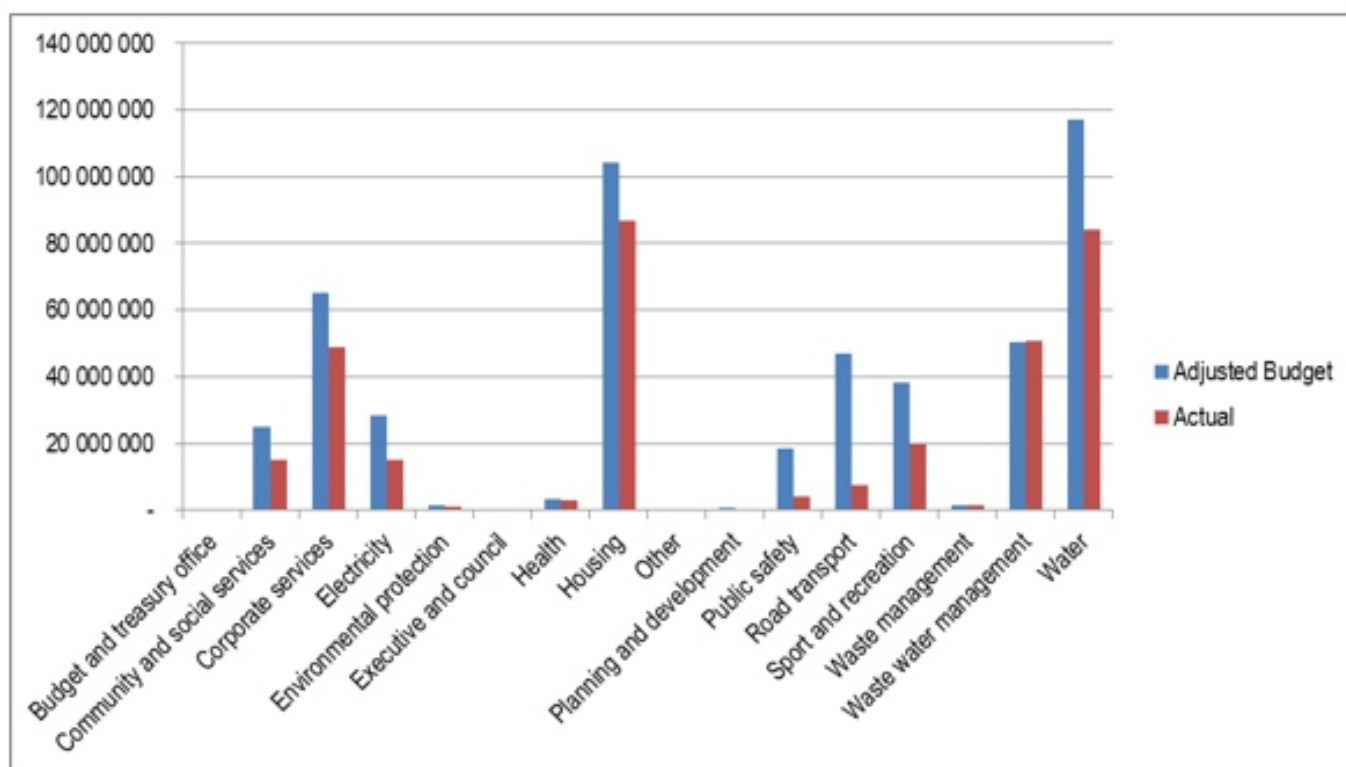
### Capital Expenditure Per Service

2016				
FUNCTION	BUDGET	EXPENDITURE	VARIANCE	VARIANCE %
Budget and Treasury Office	421 700	148 148	273 552	65%
Community and Social Services	25 039 100	16 381 857	8 657 243	35%
Corporate Services	65 282 000	57 014 930	8 267 070	13%
Electricity	28 464 500	19 167 555	9 296 945	33%
Executive and Council	-	-	-	-
Health	3 167 400	2 773 975	393 425	12%
Housing	104 211 800	86 814 604	17 397 196	17%
Other	-	1 091 426	-1 091 426	-
Environmental Protection	1 289 600	961 667	327 933	25%
Planning and Development	476 000	15 729	460 271	97%
Public Safety	18 359 100	4 907 515	13 451 585	73%
Road Transport	46 966 800	11 526 493	35 440 307	75%
Sport and Recreation	38 172 700	22 830 830	15 341 870	40%
Waste Management	1 530 200	1 494 946	35 254	2%
Waste Water Management	50 575 600	52 449 593	-1 873 993	-4%
Water	117 204 000	115 922 777	1 281 223	1%
<b>TOTAL</b>	<b>501 160 500</b>	<b>393 502 045</b>	<b>107 658 455</b>	<b>21%</b>

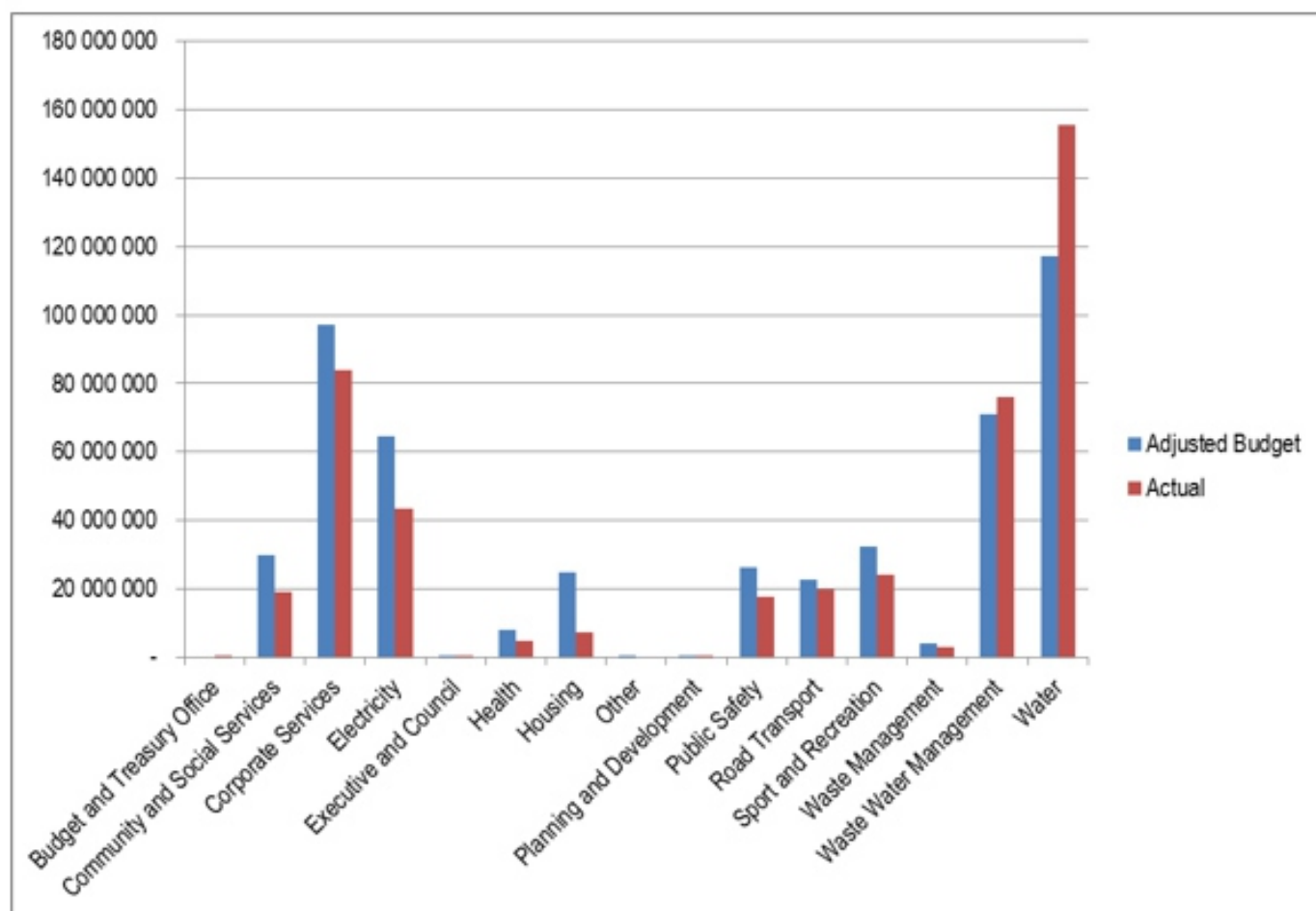
## 2015

FUNCTION	BUDGET	EXPENDITURE	VARIANCE	VARIANCE %
Budget and Treasury Office	-	43 055	(43 055)	0%
Community and Social Services	29 728 400	19 147 110	10 581 290	36%
Corporate Services	97 355 200	83 908 486	13 446 714	14%
Electricity	64 602 000	43 317 464	21 284 536	33%
Executive and Council	167 300	50 481	116 819	70%
Health	7 812 100	4 629 548	3 182 552	41%
Housing	24 823 900	7 144 311	17 679 589	71%
Other	300 000	-	300 000	100%
Planning and Development	107 400	71 667	35 733	33%
Public Safety	26 126 900	17 654 839	8 472 061	32%
Road Transport	22 548 100	19 924 591	2 623 509	12%
Sport and Recreation	32 406 100	23 934 962	8 471 138	26%
Waste Management	4 000 300	2 823 794	1 176 506	29%
Waste Water Management	70 986 500	76 003 481	(5 016 981)	-7%
Water	117 343 200	155 718 923	(38 375 723)	-33%
<b>TOTAL</b>	<b>498 307 400</b>	<b>454 372 712</b>	<b>43 934 688</b>	<b>9%</b>

**Graph - Capital Expenditure Versus Budget For 2016**



## Graph- Capital Expenditure Versus Budget For 2015



## Cash Flow Management And Investment

The following information shows the Municipality's cash flows for the year under review.

	2016 R' million	2015 R' million
Cash from operating activities	480 835	576 613
Cash from investing activities	(309 768)	(433 916)
Cash from financing activities	(130 451)	(125 569)

### Cash flow from operating activities

The Municipality's sources of liquidity are cash flow from operating activities and borrowings. Cash flow from operating activities increased from R 576 million to R480 million primarily due to economic decline.

### Cash flow from investing activities

Cash flow from investing activities relates primarily to investments in capital expenditure and short term investments of longer than three months.

### Cash flow from financing activities

Cash flow from financing activities is primarily the repayment of the loans. Positive resulted in municipality not taking up its planned loans of R185 million hence investing activities were financed out of cash flow. This loan will be taken up in the 2016/2017 financial year.



## Other Financial Matters

### Annual Tariffs

ANNUAL TARIFF INCREASES						
Year	Rates	Water	Electricity	Refuse	Sewer	CPI
2004	10.00 %	13.5 %	11 %	8 %	10 %	5.1 %
2005	7.50 %	13 %	3.8 %	7.5 %	7.7 %	4.2 %
2006	8.00 %	0 %	4 %	0 %	0 %	3.5 %
2007	6.00 %	6.5 %	5.9 %	6 %	4.1 %	6.6 %
2008	8.00%	10.00%	28.00%	6.00%	6.00%	14.00%
2009	13,6%	5,00%	20,00%	7,00%	5,00%	11,5%
2010	12,8%	11,64%	31,00%	9,8%	9,8%	4,2%
2011	12,5%	12.47%	38%	13%	12.5%	4.8%
2012	13.50%	13.00%	24% - 26%	13.00%	13.00%	5.00%
2013	-4,45%	9.5%	Various – From 7,4% - 18%	Res 20,5% Bus 9,5%	7.5%	6.3%
2014	12%	Res 6%-40%(Sliding Scale)  Bus 7% - 10% (Sliding Scale)	11,36%	8%	8%	6%
2015	6%	6%	7.29%	6%	6%	5.9%

### Debtor Accounts

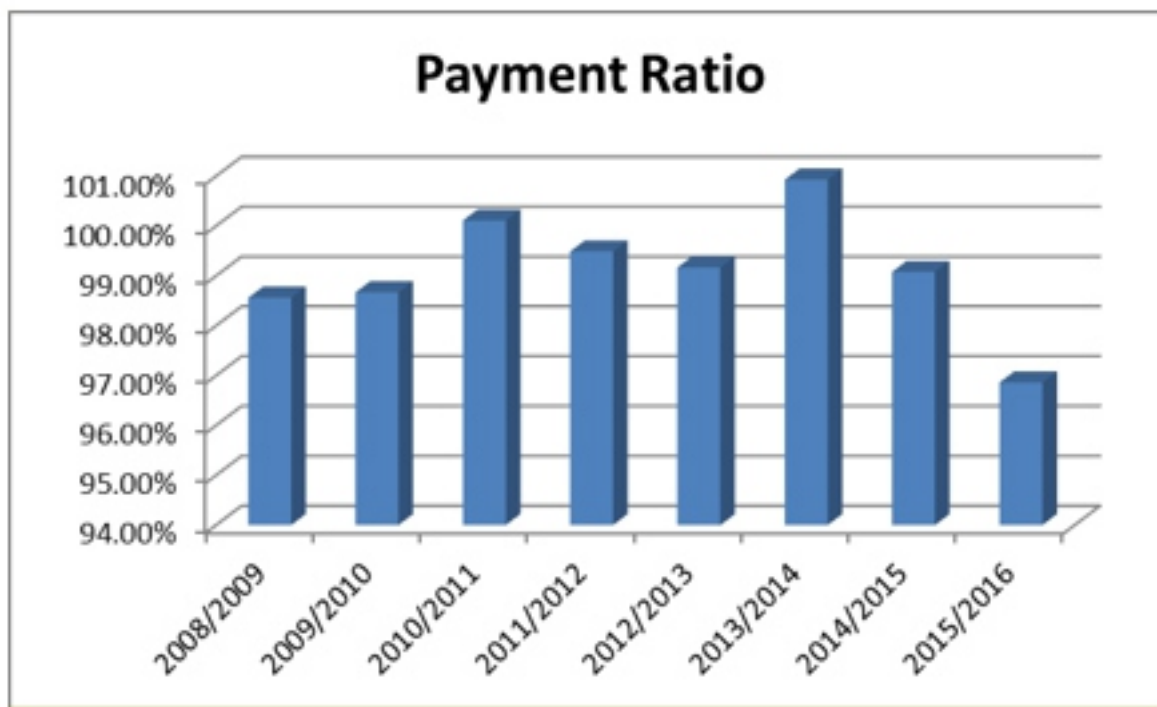
Electricity and water meters readings are performed, processed and posted monthly to ensure that all account holders receive accurate accounts and that a high payment rate is maintained. The collection of monies has been very difficult. The department however still obtained an average debt collection ratio of **96.86%**, despite these difficult times.

Outstanding consumer debtors as at 30 June 2016 were R389 million (2015: R 360 million). The total provision for impairment decreased from R110 million to R 101 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R101 million, which represents 25,96% of the total outstanding consumer debtors. Included in the provision is R10 809 065 for traffic fines. This is as a result of the implementation of IGRAP1

### Debt Collection Ratio / Nett Debtor Days – For Consumer Debtors

The overall payment ratio for the past seven years is illustrated below. The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. The formula and norm is prescribed by the National Treasury in MFMA circular 71. The published norm is 95 %. Despite the difficult economic climate and the reason for decrease compared to the previous year, as detailed below, the payment ratio is still above the norm. There has been a decrease in the payment ratio, which is attributed to the closure / liquidation of Tata Steel (KZN) Pty Ltd. They were Council's biggest single debtor.

Year	Payment Rate
2008 / 2009	98.56 %
2009 / 2010	98.67 %
2010 / 2011	100.11 %
2011 / 2012	99.49 %
2012 / 2013	99.17 %
2013 / 2014	100.93 %
2014 / 2015	99.08 %
2015 / 2016	96.86 %

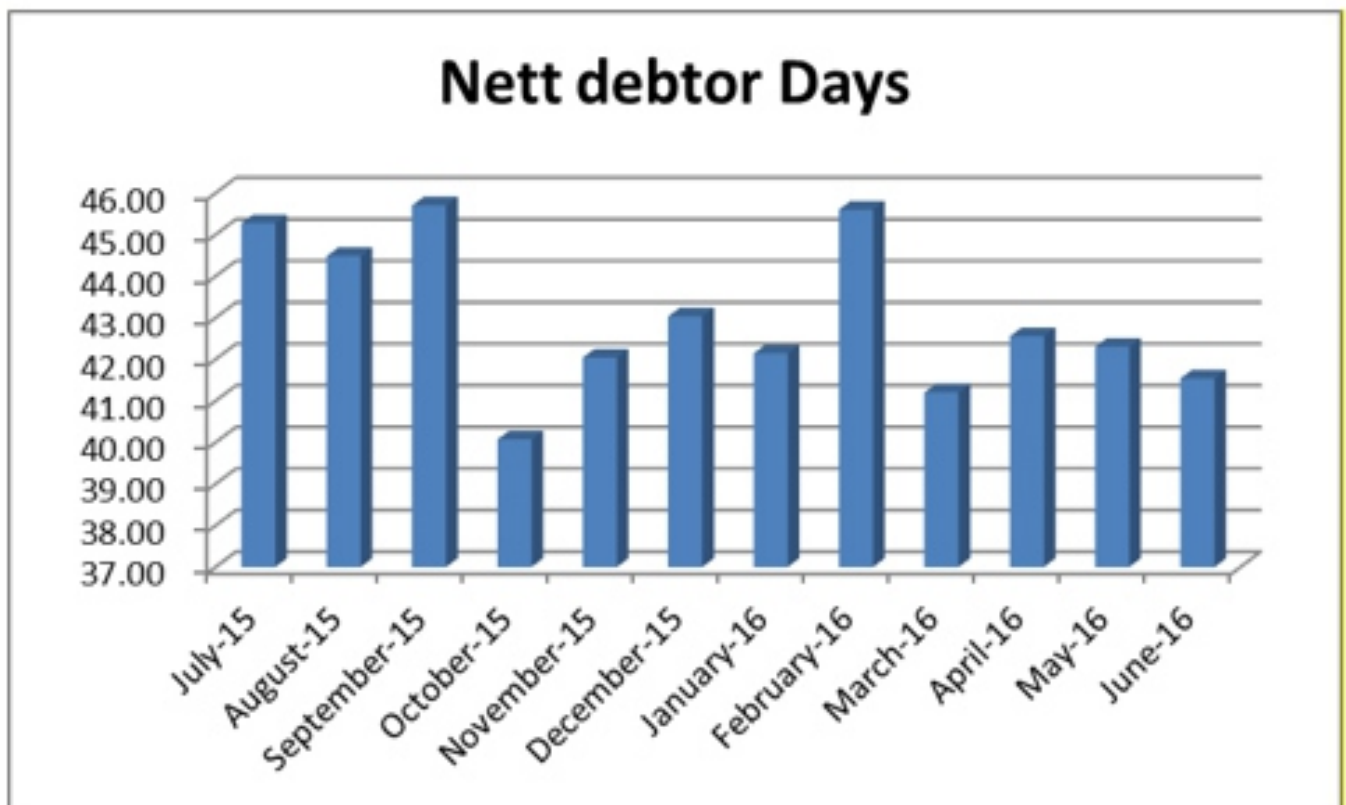


### Net Debtors Days

This ratio reflects the collection period. Net Debtor Days refers to the average number of days required for a Municipality to receive payment from its Consumers for bills / invoices issued to them for services.

The Ratio exclude balances for Debtors, which the Municipality has assessed as potentially irrecoverable, and is also a good indication of the effectiveness of credit control procedures within the Municipality as well as the extent to which the Municipality has provided for doubtful Debts.

Month	Nett debtor Days
June-16	41.54
May-16	42.30
April-16	42.55
March-16	41.20
February-16	45.60
January-16	42.14
December-15	43.03
November-15	42.04
October-15	40.07
September-15	45.70
August-15	44.48
July-15	45.27





## **Non-Compliance With Mfma**

There municipality complied with all the provision of the Municipal Finance Management Act.

## **Unauthorized, Irregular, Fruitless And Wasteful Expenditure**

No unauthorized, irregular, fruitless and wasteful expenditure was incurred by the Municipality during the year.

## **Expression of Appreciation**

I wish to convey my sincere appreciation to the Mayor, the Executive Committee, members of the Finance portfolio committee, the audit committee, the Municipal Manager and the Executive Management team for their support and cooperation received during the year.

A special word of gratitude to all financial staff, and to the staff of the auditor general for conducting the external audit the manner in which they did, and for their assistance, support and cooperation during the year.

Finally, a further word of thanks to everybody for the months of hard work, sacrifices and concerted effort during the year to enable the Municipality to finalize the financial reporting with special emphasis on the financial statements which culminated to a clean audit report

## APPENDICES

## APPENDIX A:

### Councillors, Committee Allocation and Council Attendance



**Mayor**  
Mhlongo Mduduzi Gift  
ANC (Exco)



**Deputy Mayor**  
Gumbi Ntombizethu Vera  
ANC (Exco)



**Speaker**  
Mfundo Mthenjana  
ANC



**Chief Whip**  
Laurens Manie  
ANC



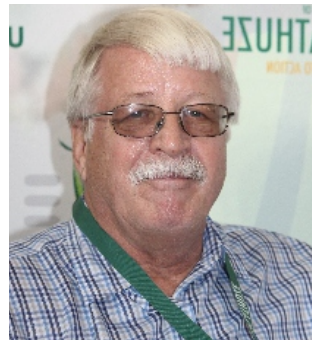
## Ward Councillors



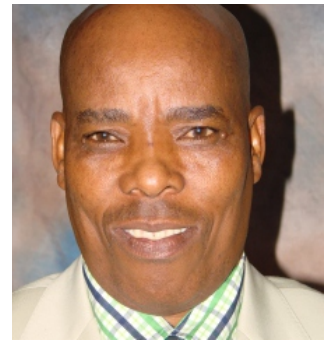
Frederik Bosman  
DA (Ward 1)



Alen Viljoen  
DA (Ward 2)



David Merryweather  
DA (Ward 3)



Nicholas Madondo  
ANC (Ward 4)



Shadrack Zulu  
IFP (Ward 5)



Dumisane Ndimande  
ANC (Ward 6)



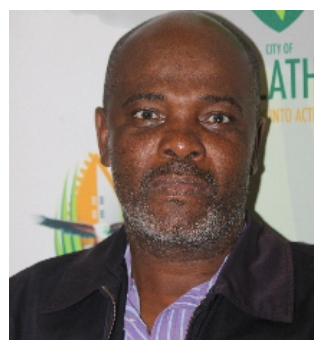
Willie Radebe  
ANC (Ward 7)



Sakhile Xaba  
ANC (Ward 8)



Erwin Palmer  
ANC (Ward 9)



Emmanuel Dube  
ANC (Ward 10)



Eric Mhlongo  
ANC (Ward 11)



John Cele  
ANC (Ward 12)



Cyprian Kweyama  
Independent (Ward 13)



Mduduzi Khumalo  
ANC (Ward 14)



Samuel Nsibande  
Independent (Ward 15)



Nonhlanhla Cele  
ANC (Ward 16)





Gugu Nkosi  
ANC (Ward 17)



Sipho Mthujane  
ANC (Ward 18)



Lindi Danisa  
ANC (Ward 19)



Babhekile Mthembu  
ANC (Ward 20)



Musawenkosi Mbokazi  
ANC (Ward 21, Exco)



Mfundo Mthenjana  
ANC (Ward 22)



Andre De Lange  
DA (Ward 23)



Gertrude Mkhize  
ANC (Ward 24)



Bhekinkosi Mthiyane  
ANC (Ward 25)



Ahmed Shaik Dawood  
ANC (Ward 26)



Lindiwe Shangase  
ANC (Ward 27)



Phikelakhe Ntanzu  
ANC (Ward 28)



Prince Mathenjwa  
ANC (Ward 29)



David Xulu  
ANC (Ward 30)

## Committee Allocation



Ntombizethu Vera Gumbi  
ANC (Exco)



Mduduzi Mhlongo  
ANC



Alice Mthembu  
ANC (Exco)



Sukanini Hlope  
ANC



Mfundo Mthenjana  
ANC (Speaker)



Nontokozi Mbanjwa  
ANC



Manie Lourens  
ANC



Silondile Mkhize  
ANC (Exco)



Purity Mbatha  
ANC



Kevin Sukreben  
ANC



JB Mkhabela  
ANC (Exco)



Meera Sookroo  
ANC (Exco)



Dumisane Nxumalo  
IFP (Exco)



AP Mngomezulu  
IFP



Mbuyiseni Khoza  
IFP



Nkosinathi Thusi  
IFP





Madina Mkhize  
IFP



Beena Simmadhri  
IFP (Exco)



Mandla Makatini  
IFP



Khetomusha Mthethwa  
IFP



Louis Fourie  
DA (Exco)



Khonzi Ndlovu  
DA



Patience Kwela  
NFP (Exco)



Thanduxolo Ngcobo  
NFP



Njabulo Mlaba  
NFP



Clement Mavimbela  
NFP



LS Sabelo  
NFP



Siphiwe Khoza  
NFP



Raphael Zikhali  
ANC



CM Botha  
IFP

# APPENDIX B:

## Committee Allocation and Council Attendance

### Section 79 - Council And Official Representation On Committees For The 2011 To 2016 Term Of Office

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	NFP	INDEP/ OBSERVERS
Bylaws	S N Hlophe	S S Simmadhri	A S Dawood N M Madondo G A Nkosi S G Mkhize D J Ndimande M Sookroo	D Merryweather	M Khoza A P Mngomezulu	S Sibiya	<u>Observer</u> Mayor Deputy Mayor Speaker Chief Whip K E Ndlovu A Viljoen
Standing Orders	M W Mthenjana	C M Botha	L M Danisa M R Khumalo M Lourens J B Mkhabela E A Palmer W M Radebe	A Viljoen	D A Nxumalo K N Mthethwa	T Sibiya	<u>Observer</u> Mayor Deputy Mayor M T Makatini
uMhlathuze Public Transport Liaison Committee (UPTLC) &	S B Xaba	P D Ndunakazi	M M Mbokazi M W Mthenjana R M Zikhali E Palmer P M Ntanzu W M Radebe	K Ndlovu	M Khoza S H Zulu	S Sibiya	C S Kweyama <u>Observer</u> Mayor Deputy Mayor Speaker Chief Whip D Merryweather
Public Participation Committee under convenorship of the Speaker	M W Mthenjana	S R Hlophe	J N Cele N Cele E J B Dube A H Mthembu B C Mthembu R M Zikhali	L C M Fourie	A P Mngomezulu D A Nxumalo	S Khoza	S Nsibande <u>Observer</u> Mayor Deputy Mayor Chief Whip K Ndlovu
Community Safety Forum (Incorporating CCTV Camera Project)	K Sukreben	L C M Fourie	P M Mathenjwa N C Mbanjwa P T Mbatha G A Nkosi L B Shangase D J Xulu	D Merryweather	M Khoza M R Mkhize	L Sabelo	<u>Observer</u> Mayor Deputy Mayor Speaker Chief Whip K E Ndlovu

## Section 80 - Council And Official Representation On Committees For The 2011 To 2016 Term Of Office

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	NFP	INDEP/ OBSERVERS
<b>Corporate Services</b>	N V Gumbi	S S Simmadhri	J N Cele A H Mthembu L M Danisa M Lourens M Mthenjana S S Mthiyane	D Merryweather	D A Nxumalo N T Thusi	L Sabela	<b>Observer</b> Mayor Speaker A P Mngomezulu B J de Lange S N Mthembu K E Ndlovu
<b>Community Services</b>	N R Cele	L C M Fourie	M R Khumalo G M Mkhize D J Ndimande G A Nkosi R M Zikhali B T Mthiyane	K E Ndlovu	K N Mthethwa N T Thusi	S R Hlophe	S Nsibande <b>Observer</b> Mayor Deputy Mayor Speaker Chief Whip A P Mngomezulu M Khoza D Merryweather A S Dawood S G Mkhize S N Hlophe S H Zulu <b>E A Palmer</b>
<b>Financial Services</b>	M G Mhlongo	D A Nxumalo	A S Dawood N C Mbanjwa P T Mbatha L B Shangase K Sukreben B C Mthembu	B J de Lange	S S Simmadhri M R Mkhize	T M Sibiya	<b>Observer</b> Deputy Mayor Speaker Chief Whip C M Botha F Bosman A P Mngomezulu S G Mkhize K E Ndlovu K N Mbonambi
<b>City Development (CD)</b>	M Sookroo	L Sabela	E J B Dube S N Hlophe P M Ntanzu E Palmer K N Mbonambi S N Mthembu	A Viljoen	S S Simmadhri C M Botha	S Khoza	<b>Observer</b> Mayor Deputy Mayor Speaker Chief Whip A Dawood B J de Lange C Kweyama B T Mthiyane W M Radebe M Mbokazi D Merryweather K E Ndlovu



Infrastructure and Technical Services	S G Mkhize	M M Mbokazi	N M Madondo P M Mathenjwa M E Mhlongo S B Xaba D J Xulu W M Radebe	F Bosman	M T Makatini S H Zulu	S Sibiya	Observer Mayor Deputy Mayor Speaker Chief Whip A P Mngomezulu M Khoza L C M Fourie N C Mbanjwa K E Ndlovu
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**COMMITTEES OTHER THAN SECTION 79 AND 80 COMMITTEES OF COUNCIL**  
**MPAC ESTABLISHED IN TERMS OF THE MUNICIPAL STRUCTURES ACT 1998, MUNICIPAL SYSTEMS ACT 2000 AND MUNICIPAL FINANCE MANAGEMENT ACT OF 2003**

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	NFP	INDEP/ OBSERVERS
Municipal Public Accounts Committee (MPAC)	A S Dawood	A Viljoen	N C Mbanjwa L M Danisa K Sukreben M Mthenjane R M Zikhali K Mbonambi D J Xulu (Deceased – not replaced)		M R Mkhize N T Thusi	↳ Sabeta T M Sibiya	G Mbanjwa M Mthenjane

**Section 62 Established In Terms of the Local Government Municipal Systems Act, 32 Of 2000**

COMMITTEE	CHAIR	DEPUTY CHAIR	ANC	DA	IFP	NFP	INDEP/ OBSERVERS
Section 62 Appeals Committee	A Viljoen	C M Botha	E J B Dube M Lourens J B Mkhabela	A Viljoen	C M Botha	S R Hlophe	

Local Labour Forum	Chairperson	Deputy Chairperson	Employer Component	Employee Component	NO OBSERVERS AS PER RESOLUTION OF LLF ON 21 MAY 2007
	<p>††††† (SAMWU) Deceased Replaced by D Mthiyane</p>	M Mthenjana	<p>Clr M Mthenjana Clr N V Gumbi Clr N T Thusi Clr L Sabelo Clr D Merryweather M Oliphant B Nzuza A Lombaard N Miya L Yingwana G Mthembu J Naidoo</p>	<p>12 x Organised labour 4 IMATU 8 SAMWU</p>	<p>the Local Labour Forum agendas and minutes only be made available to the 12 employer representatives and the 12 employee representatives in future  Deals with all issues related to Labour matters in terms of the ORA</p>

### AUDIT COMMITTEE, PERFORMANCE AUDIT, PERFORMANCE EVALUATION PANELS

<b>Audit Committee</b>  <b>Philile</b>	<p>Chairperson - <b>Mr S Nkonzombi</b> -</p> <p>Miss B Zulu Mr A Dhuki Dr E M S Ntombela</p>	<p>ON INVITATION</p> <p>Mr J Nkosi (Bigroup) Mr J Nkosi (Auditor General) (Chairperson of MPAC)</p>	<p>Resolution 10025 of 21 APRIL 2015 (TERM OF OFFICE = 1 MARCH 2015 TO 28 FEBRUARY 2016) N Mthembu D Myburgh S Adonis Deputy Municipal Managers</p>
<b>Performance Audit Committee</b>	<p>New members elected as per CR 10664 dated 24 February 2016</p> <p>Chairperson - Mrs J Ndlovu Mr B S Ndaba Ms R de Waal M G Mhlongo (Mayor) S G Mkhize (Deputy Mayor)</p>	<p>ON INVITATION</p> <p>Chairperson of MPAC</p>	<p>D Myburgh Deputy Municipal Managers</p>
<b>Performance Evaluation Panel – Heads Of Departments (Section 57 Employees)</b>	<p>Municipal Manager – uMhlathuze Municipality Chairman Of Performance Audit Committee Municipal Manager – uThungulu/<b>Mfolozi</b>/ Member Of Executive Committee</p>	<p>N J Sibeko Dr E M S Ntombela/Ms N M C Zulu (28/10 /2015 to 3101/2016)/ <b>Mrs J Ndlovu - Current</b> M H Nkosi / <b>K E Gamede - Current</b> S G Mkhize (Deputy Mayor)</p>	<p>D Myburgh B M Dladla</p>

<b>Performance Evaluation Panel (Municipal Manager)</b>	Mayor - uMhlathuze Municipality Member Of Executive Committee Chairman Of Performance Audit Committee Municipal Mayor – uThungulu/ <u>Mfolozi</u> Member Of A Ward Committee	M G Mhlongo (Mayor) S G Mkhize (Deputy Mayor) Dr E M S Ntombela/Ms N M C Zulu (28/10/2015 to 3101/2016)/ <u>Mrs J Ndlovu - Current</u> T Mchunu/ <u>Clr S W Mgenge - Current</u> V Khuzwayo/ <u>E S Luthuli - Current</u>	D Myburgh B M Dladla
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## BOARD OF TRUSTEES

COMMITTEE	EMPLOYER REPRESENTATIVES	EMPLOYEE REPRESENTATIVES
Board Of Trustees	B J De Lange S N Hlophe S Sibiya M Mthenjana	N Visagie (Principal Officer) A Gqola B Mathebula T Moamosi P Mhlongo G Mthembu  Simeka - Mr E Dirks
		RESOLUTION 7326 OF 14 JUNE 2011



<p><b>SPLUMA – SPATIAL AND LAND USE MANAGEMENT ACT COMMITTEE</b></p> <p>Council Resolution 10157B (4.3) 9 June 2015</p>	<p>to serve as a subcommittee of the Executive Committee in order to consider any appeals submitted in terms of the Spatial Planning and Land Use Management Act, 2013, and the KZN Planning and Development Act, 2008:</p> <p>N V Gumbi S G Mkhize M M Mbokazi M Sookroo L C M Fourie L S Sabela S S Simmadhri"</p>
<p><b>uMHLATHUZE MUNICIPALITY GEOGRAPHICAL NAMING COMMITTEE</b></p> <p>Council Resolution 10430 OF 27 October 2015</p>	<p>Clr M Lourens - Committee Chairperson Clr D A Nxumalo - Deputy Chairperson Clr E J B Dube - Committee member Clr M M Mbokazi - Committee member Clr N G Mbanjwa - Committee member Clr R M Zikhali - Committee member Clr P T Mbatha - Committee member Clr M W Mthenjana - Speaker, Committee member Clr S S Simmadhri - Committee member Clr S H Zulu - Committee member Clr A Viljoen - Committee member Clr S Sibiya - Committee member</p>

## Internal/ Management Committees

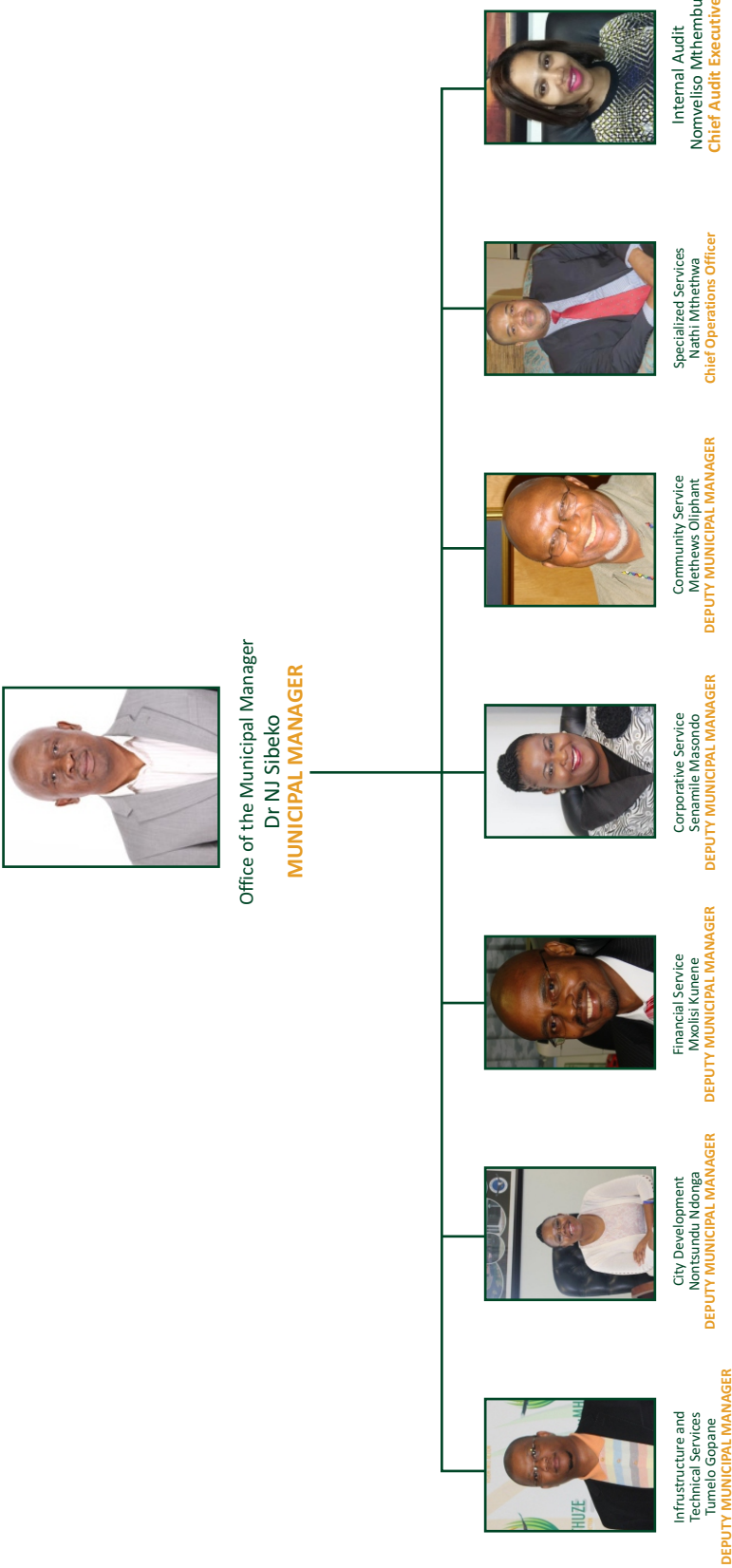
BATHO PELE COMMITTEE		AIRPORT WORKING COMMITTEE
<p>Established in terms of Resolution 6894 of 24 August 2010</p> <p>COO ADDED ITO RESOLUTION 10401 3 NOVEMBER 2015</p>	<p><b><u>MEMBERS</u></b></p> <p>Municipal Manager</p> <p>Chief Operations Officer</p> <p>Chief Financial Officer</p> <p>Deputy Municipal Manager: Corporate Services</p> <p>Deputy Municipal Manager: City Development</p> <p>Deputy Municipal Manager: Community Services</p> <p>Deputy Municipal Manager: Infrastructure And Technical Services</p> <p>Information Communication And Technology Manager</p>	<p><b><u>MEMBERS</u></b></p> <p>CHIEF FINANCIAL OFFICER – UTHUNGULU DISTRICT MUNICIPALITY (CHAIRPERSON)</p> <p>MUNICIPAL MANAGER</p> <p>CHIEF FINANCIAL OFFICER</p> <p>DEPUTY MUNICIPAL MANAGER: CORPORATE SERVICES</p> <p>DEPUTY MUNICIPAL MANAGER: CITY DEVELOPMENT</p> <p>DEPUTY MUNICIPAL MANAGER: COMMUNITY SERVICES</p> <p>DEPUTY MUNICIPAL MANAGER: INFRASTRUCTURE AND TECHNICAL SERVICES</p> <p>INFORMATION COMMUNICATION AND TECHNOLOGY MANAGER</p> <p>HEADS OF SECTION, MANAGEMENT REPRESENTATIVES</p>

## Supply Chain Management Committees

BID SPECIFICATION COMMITTEE	BID EVALUATION COMMITTEE	BID ADJUDICATION COMMITTEE
<p>Mr N Khumalo - Chairperson</p> <p>Mr B V Nzuza</p> <p>Ms S Maduma</p> <p>Mr S Hlela</p> <p>Ms D Ngidi</p>	<p>M Ndlovu/ S A Mhlongo- Chairperson</p> <p>Mr T Kubheka</p> <p>Mr Z Masango</p> <p>Mr D Mohapi</p> <p>Ms N Ndwandwa</p> <p>Mrs B Strachan</p> <p>Mrs S Van Wyk</p>	<p>Mr M Kunene - Chairperson</p> <p>Mr S A Mhlongo</p> <p>Mr M Oliphant</p> <p>Mr T Gopane</p> <p>Mr S Mbatha</p> <p>Mr S Khumalo</p> <p>Ms S Masondo</p>

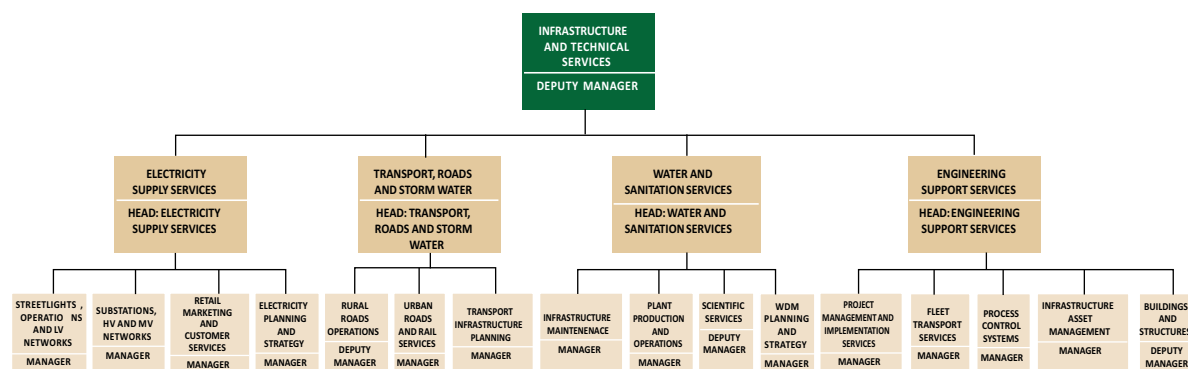
APPENDIX C:

THIRD TIER ADMINISTRATIVE  
STRUCTURE

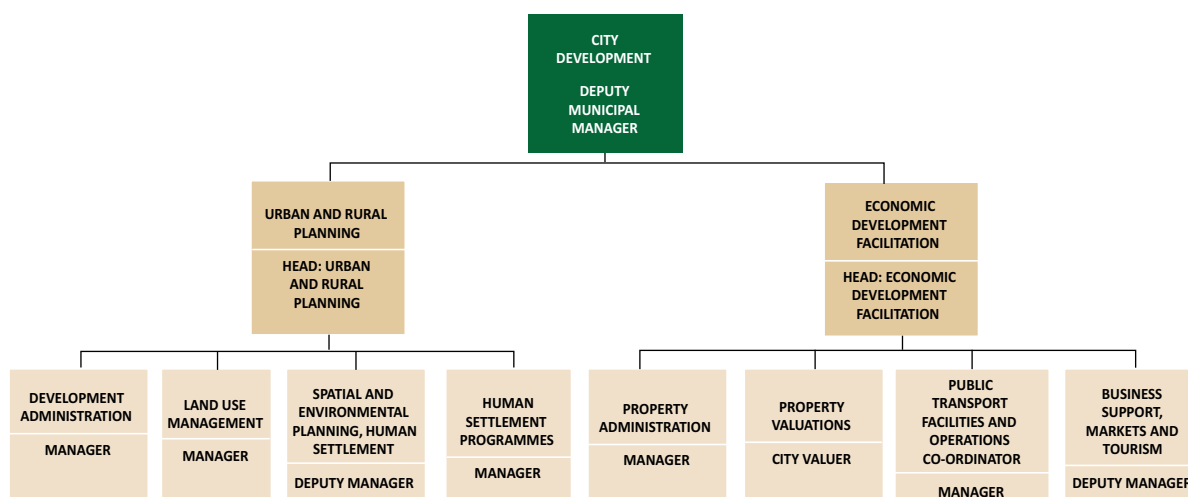




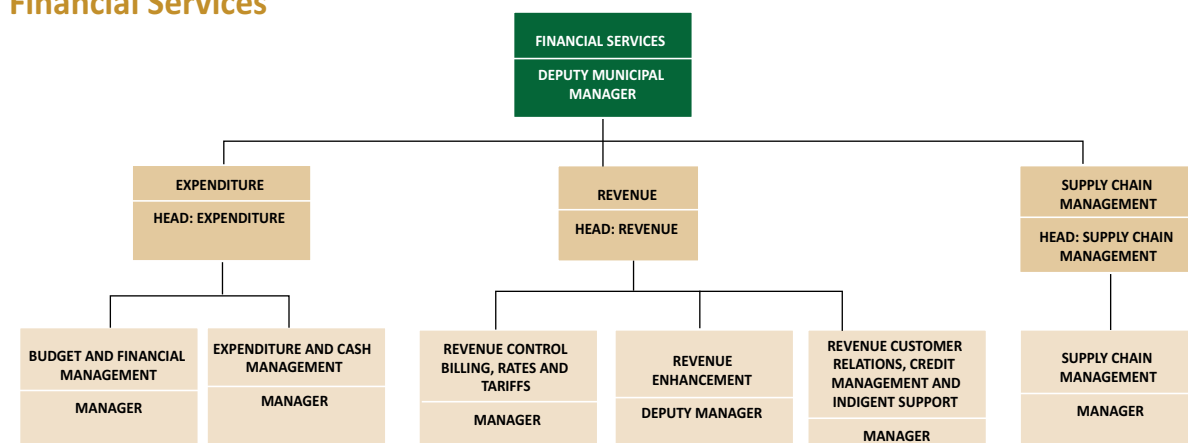
## Infrastructure and Technical Services



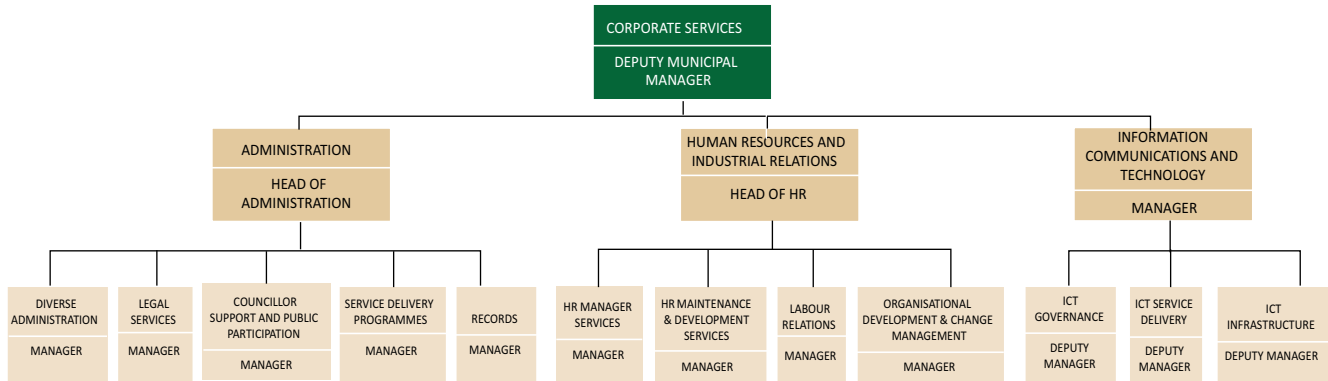
## City Development



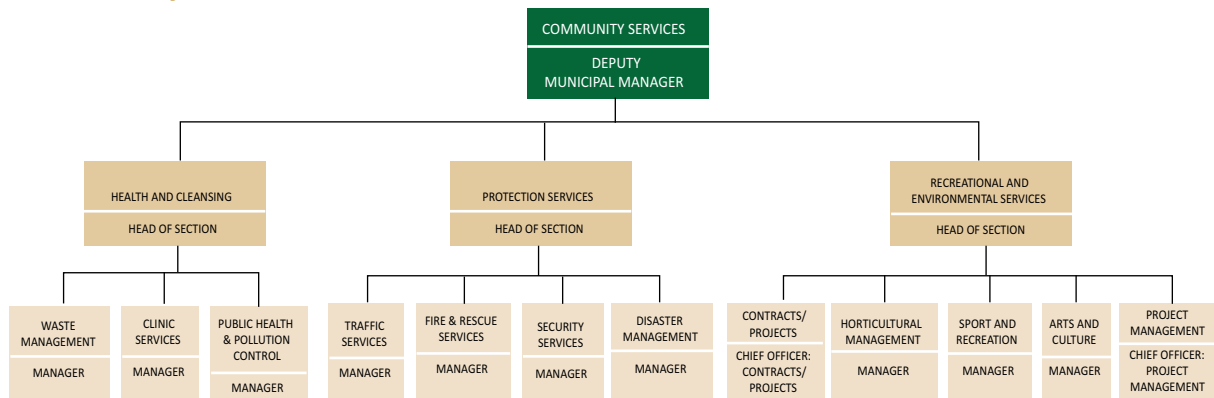
## Financial Services



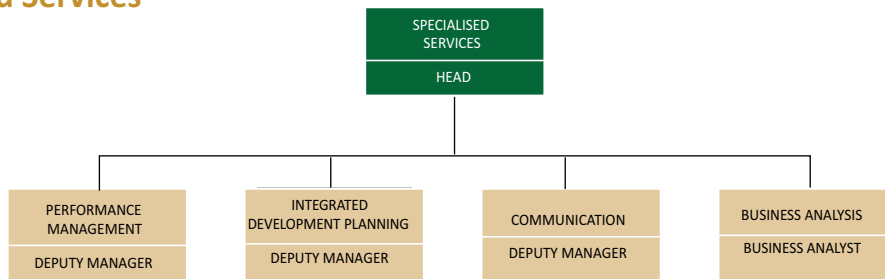
## Corporate Services



## Community Services



## Specialised Services



## APPENDIX D:

## FUNCTIONS OF THE MUNICIPALITY

Service Delivery Unit	Programme	Functions
Office of the Municipal Manager	Risk Management (Internal Audit)	Municipal public accounts
	Integrated Development Planning	Strategic planning, business planning, city development strategies
	Performance Management	Organisational performance Individual performance Community satisfaction
	Public Communications	Public relations, media liaison, website administration
	Facilities Management	Oversee satellite office
Corporate Services	Diverse Administration Services	Secretariat Services
	Legal Support Services	Contracts, Conveyance and Business Licensing Legislation, Litigation and Opinions
	Records Management	Central Registry
Councillors	Councillor Support and Public Participation Services	Office of the Mayor Office of the Speaker Special Programmes
Public Safety and Security Services	Fire & Rescue Services	Fire Prevention Fire Training Fire and Rescue Operations Fire and Rescue Administration
	Traffic Services	Crime Prevention Licensing (Vehicles) Traffic Operations and Administration Traffic Control Room
	Security Services	
	Disaster Management	
Water and Sanitation	Plant Production and Operations	
		Plant Availability (Water and Wastewater Treatment Plants)
		Plant Availability (Pumpstations)
		Wastewater Final Effluent Quality Compliance (General Authorization March 2004 and General Standard 9225 May 1984 )
		Water Treatment Final Portable Water Compliance (SANS241-2011)
	Infrastructure Maintenance	
		Water and Wastewater Network Reliability Program
		Planned Maintenance Program for all Pumpstations
		Planned Maintenance Program for all Network Pipelines
		Planned Maintenance Program for all Water Meters
	Scientific Services	Blue and Green Incentive Based Program
		Surface Water Monitoring Program (DWA Guidelines 1996)
		Wastewater Quality Monitoring Program (General Authorization 18 March 2004 / General Standard 9225 18 May 1984)



		Water Services Bylaw Compliance Program
		Online Water Quality Monitoring Program
	Water Demand Management and Strategy	Water Loss Management Program
		Water and Wastewater Demand Management Program
		Water Services Development Plan Annual review
		Water Services Bylaws Annual review
		Water Safety and Risk Abatement Annual Review
		Bulk Water and Wastewater Master Plan Development and Review
		Wastewater Effluent Re-Use Program
	Customer Service	
Electricity Supply Services	Streetlights, Operations and LV Networks	
		Electrical Planned Maintenance
		Reticulation, Operations and Maintenance
	Operations and Maintenance	
		Electrical Protection
		Electrical Cable Faults
		Electrical Network Switching
		Electrical Light Current
	Electricity Retail, Marketing and Customer Services	
		Electricity Retail and Auditing
		Electricity Marketing and Customer Services
	Electrical Planning and Strategy Services	
		Electrical Planning
		System Reinforcement
		Electricity Contracts
	Process Control Systems	Planned Maintenance Program (Telemetry and Scada Systems)
		Planned Maintenance Program (Instrumentation)
		Planned Maintenance Program (Radio Engineering)
		Master Plan Development and/or Review (Process Control Systems)
	Energy Management	Planned Rural Road Maintenance Program for Kwa Madlebe
Transport, Roads and Stormwater	Rural Roads Operations	Planned Rural Road Maintenance Program for Kwa Dube
		Planned Rural Road Maintenance Program for Kwa Mkhwanazi
		Planned Rural Road Maintenance Program for Kwa Khoza
		Planned Maintenance Program for all Pedestrian Bridges
		Construction of New Culverts and Bridges
		Management and Monitoring Program for all Rural Road Mining Operations
	Urban Roads and Railway Services	
		Planned Urban Road Maintenance Program (North)
		Planned Urban Road Maintenance Program (South)
		Planned Urban Road Maintenance Program (West)
		Planned Rail Maintenance Program for all Urban Areas
		Planned Urban Road Maintenance Resealing Program for all Urban Areas
		Planned Urban Road Marking & Signage Program(All Areas)
	Transport Infrastructure Planning and Strategy	
		Transport Infrastructure Plan Development and/or Annual Review
		Traffic Management Studies Program (All Areas)
		Transport Master Plan (Urban, Rural and Rail)

	Storm Water Systems, Catchment and Coastal Management	
		Stormwater Management Bylaw Annual Review
		Stormwater Drains Planned Maintenance Program
		Catchment Management Program
		Coastal Management Program
	Public Transport Operations	
		Road Side Furniture Development Program
		Public Transport Integration Program
		Public Transport Master Plan Program
Health and Cleansing	Solid Waste Management	
		Waste Management Inland
		Waste Management Coastal
		Waste Management Administration
	Occupational Health Care	
	Pollution Control	Air Pollution Control and Environmental Impact
Engineering Support Services	Engineering Projects Management and Implementation	
		Electrical Projects Implementation Program
		Civil Engineering Projects Implementation Program
		Mechanical Projects Implementation Program
		Capital Project Funding Program
	Fleet Management Services	
		Fleet Planned Maintenance Program
		Equipment and Small Plant Planned Maintenance Program
		Vehicle Utilization and Optimization Program
		Vehicle Replacement Program
	Municipal Infrastructure Asset Management	
		GIS Management Program
		Integrated Infrastructure Plan Program (Development & Review)
		Maintenance Plans Program Management
		Technical Operations Centre Management Program
		Engineering Document Management Program
	Municipal Buildings and Structures	
		Planned Building Maintenance Program (Civils)
		Planned Building Maintenance Program (Electrical)
		Planned Building Maintenance Program (Mechanical)
		Planned Structures Maintenance
		Building Construction and New Works Program
Recreation and Environmental Services	Horticultural Management	
		Biodiversity (Cemeteries) and Conservation
		Operations management
	Sport & Recreation	Recreational Facilities Management
		Sport and Recreation Development
	Arts and Culture	
		Public Libraries
		Museum
		Community Halls and Thusong Centres

	Recreational Projects Management	
	Horticultural Contracts Management	
Local Economic Development	Community Capacity Building & Training	
	Business Support	
	Development & Support of markets	
	Economic Facilitation	
	Marketing & Tourism Development	
Urban and Rural Planning	Land Use Management (LUMS)	
		Building Management and Control
		Planning and Development Evaluation
		Development Control, Appeals and Consent use
		Surveys, Analysis, Data, Research and GIS information
	Spatial and Environmental Planning	
	Development Administration	
Economic Development Facilitation	Human Settlement Programmes	
	Property Administration	
	Property Evaluations	
	Business Support, Markets and Tourism	
		Tourism
Public Transport Facilities and Operations Coordination		Business Support and Markets
		Investment Promotion
Human Resource and Industrial Relations Services	HR Administration Services	
		HR Administration
		Recruitment, Selection and Placement
		Employment Equity
	Personnel Maintenance and Development	
		SHE Risk Management Training, Development and Education
		Employee wellness
	Labour Relations Management	
	Organisation Development and Change Management	
Information, Communications and Technology Services	ICT Governance	
	ICT Service Delivery	
	ICT Infrastructure	
Expenditure	Budget and Financial Management	
		Budget and Financial Control
		Annual Financial Statements, Assets, Reporting and Loans
	Expenditure and Cash Management	
		Creditors Management
		Payroll and Policy Management



Revenue	Revenue Control, Billing, Rates and Tariffs	
		Rates, Non-Metered Services, Cash Control
		Revenue Control, Tariff Design, Budget and Reporting
		Billing, Metered Services, System Tariff Administration and Reporting
	Revenue Enhancement	
		Metered Services
		Sundry Services
	Revenue Customer Relations, Credit Management and Indigent Support	
		Branch Management and Community Liaison
		Customer Relations and Indigent Support
Supply Chain Management	Demand and Acquisitions	
	Stores Control	
	Logistics and Supply Chain Management Risk	

## APPENDIX E:

### WARD REPORTING & THE FUNCTIONS OF WARD COMMITTEES

The Constitution of the Republic of South Africa in section 152 lists the objects of local government, among them is to provide democratic and accountable government for local communities and to encourage the involvement of communities and community organisations in the matters of local government.

Pursuant to these noble objectives, as set out in the Constitution, Council has taken a deliberate decision to strengthen and intensify its public participation drive. Department: Corporate Services has this unit called Councillor Support and Public Participation. It is charged with ensuring that there is an organised and structured manner in which the Municipality communicates and/or consults the community on their developmental needs, so that intervention programmes can target real community needs.

We are happy to report that over the past years we have seen a drastic increase in the participation of community members in our IDP, Budget, Project Launches, Sod Turning and also in Izimbizo called by our Principals.

#### Councillor Support

This unit focuses on the capacitation of Councillors, various trainings has been offered to equip the Councillors on better service delivery. In early January 2013 Circular No 30 of 2012 was received from the Department of Cooperative Governance, which included a section on Tools of Trade for Councillors. In order to adhere to these new requirements laptops were procured for all Councillors. The ultimate intention of this is for a new “greener” e-Council, which will ensure paperless meetings, benefiting the environment.

Furthermore the council is in process of providing Ward Councillors with offices in their respective wards, this will benefit our community.

#### Ward Committees

As it is embedded in the Constitution for the democratic government public participation is central in deepening democracy. Public participation is described as an open, accountable process through which individuals and groups within selected communities can exchange views and influence decision-making. It is a process of engaging people, deciding, planning and playing an active role in the development and operation of services that affect their lives. Public participation narrows the social gap between the communities and the elected representative. Communities are defined as wards and each ward has to elect a Ward Committee which is a central representative structure that links the community with Council and ensures that communities take part in the decisions in the affairs that affect their lives.

To fulfil the abovementioned objective Council has undergone a programme of electing Ward Committee members that is 10 members per ward. With the amalgamation of Ntambanana Municipality our Ward Councillor's has increased from 30 to 34, so we will be having 340 Ward Committee Members in total, the emphasis is not on the number but on the quality of work and reports that they carry in communicating the needs, views and aspirations of the Community.

As part of Council commitments to motivate ward committee members, Council has budget 4 m for the ward committee out of pocket expense, ward committees received a stipend on R1 202.00 per month with an increase of 7% every financial year.

#### Taking Council to the Community Synergistic Partnership with Amakhosi

Over the past few years, Council has in its public participation schedule of meetings, ensured that it as a matter of practice; it conducts sessions exclusively targeting traditional leadership whenever dealing with integrated development plan reviews as well as the annual budget. There have also been extensive engagements on other topical issues such as cooperating on ensuring the successful implementation of the GOVERNMENT approved human settlement projects, water and sanitation programs etc. Council does also now and then facilitate other engagements between Amakhosi and other stakeholders. The City of uMhlathuze has five Traditional Councils within its jurisdiction, Mkhwanazi, Madlebe, Kwa Dube, Kwa Bhejane and a section Mandlanzini Agri Village under Kwa Mthiyane (Mambuka). The traditional Councils are now be represented by two Amakhosi who sit a members of council but will not have voting powers, their role is to bring issues related to their communities to the attention of the council, we trust that this will a very successful initiative and will ensure efficient and responsive services to our community. The two Amakhosi are Inkosi M M Mkhwanazi and Inkosi Z K Zungu but so far only Inkosi M M Mkhwanazi has been inaugurated; we are hoping to finalise this process very soon. There have been visits to Traditional Councils to introduce the new City of uMhlathuze leadership, bearing in mind that we have new Inkosi at Kwa Dube and Kwa Khoza Traditional Authorities.

#### Special Programmes

##### PEOPLE WITH DISABILITY

On 26 May 2012 was launched with the aim of championing the interests people with disabilities, since then this sector has developed partnerships with fraternal Departments (Social Department, Education, Health, Transport to mention a few), the motive behind the partnerships was to amongst other things address the discrimination that disabled people encounter on a daily basis in that we do not have conducive transport facilities both in government and in the private sector and an intervention is underway even of procuring our own specially equipped vehicle as the Municipality for the disabled; which will serve as a model even for public transport.

## WOMEN SECTOR

Building from the summit or a conference held on 07 October 2012, the Municipal Council resolved on having a sector that does not only deal with conferences and morale of employees however that would focus on women emancipation both in the Municipality and in the community of uMhlathuze at large, accordingly council has put aside funds which will enable the council to assist this sector, and to ensure that no financial constraints do not frustrate the fast tracking of women initiatives, this is clear indication of councils commitment to addressing the imbalances of the past; particularly for women, since they were the most affected by oppression in comparison with other sectors. By May this year the Municipality would have had a fully-fledged Women Structure/ Council where women would have a permanent platform in the municipality where they address their issues themselves and advise council on how they wish to tackle them.

## YOUTH SECTOR

Since the establishment of a Youth Council the municipality's approach has always been events based when it came to issues of youth. The youth summit held on 19 - 20 June 2013 resolved on a new approach to be followed; which will see the youth adopt a more programmatic stance than just hosting events; to this end, we have committed to procuring the services of a suitably qualified consultant to facilitate a strategic planning session to assist develop an Integrated Youth Development Policy for the municipality in line with National strategy.

## INTER CULTURAL INTERGENERATIONAL DIALOGUE

The country as a whole is experiencing moral degeneration and this concept whilst its managed to develop an understanding of how different generations view moral different topical issues and encourage tolerance of the views of other generations, this council resolved on changing this strategy by shifting the event based strategy in to a more focused programme and decided to create a programme that deals with Moral Regeneration which the municipality culminates in celebrations every 27th day of April of every year or soon thereafter, however; we are encouraging our communities to practice this ideal 365 days a year.

## SENIOR CITIZENS

The Municipality has also developed a Senior Citizens forum where amongst other things it tries assist the aged on issues of their well-being consequently we have begun discussions with Social Department (SASSA) with an aim of entering into strategic partnership with them to ensure that we take better care of our beloved senior citizens this includes other stakeholders in the private sector.

# APPENDIX F:

## WARD INFORMATION

### CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 1

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	F G Bosman	082 468 5254	Chairman	Male
1	Zulu Jabulani Isaac	083 682 9222	Business sector	Male
2	Mwandla Sphesihle Joyful	083 518 4913	Sport s and Recreation	Male
3	Van Zyl Martha Maria	082 442 4319	Senior citizens	Female
4	Macfarlane John Justin	082 923 3332	Rates Payers	Male
5	Bosman Vida Stephanie	073 635 2558	Secretary	Female
6	Buthelezi Paulo's	076 555 5800	Employment	Male
7	Mthembu Sihle Jeffrey	073 855 0737	Youth	Male
8	Mthethwa Dumsane	076 464 1601	Public Transport	Male
9	Maxwell Vezi	082 892 2861	Faith Based	Male
10	Zulu Jabulani Isaac	083 682 9222	Business sector	Male

### CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 2

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	A Viljoen	082 498 4216	Chairman	Male
1	Schmal Agnesia	073 675 5620		Female
2	Sedice Robin Anthony	083 461 5764		Male
3	Koogje Rhona Louisa	082 883 6321		Female
4	Scates - Wood Bridget	083 441 3666		Female
5	Khulu Clifford	072 779 9887		Male
6	Andreson Cecilia	083 417 1245		Female
7	Savides Andrew David	072 392 0511		Male
8	Kearns Rynie	083 441 3752		Female
9	Sagras Simmadhri	083 469 1179		Male

### CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 3

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	A Viljoen	082 498 4216	Chairman	Male
1	Schmal Agnesia	073 675 5620		Female
2	Sedice Robin Anthony	083 461 5764		Male
3	Koogje Rhona Louisa	082 883 6321		Female
4	Scates - Wood Bridget	083 441 3666		Female
5	Khulu Clifford	072 779 9887		Male
6	Andreson Cecilia	083 417 1245		Female
7	Savides Andrew David	072 392 0511		Male
8	Kearns Rynie	083 441 3752		Female
9	Sagras Simmadhri	083 469 1179		Male



## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 4

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
Cllr	N M Madondo	0733632712	Chairman	Male
1	Cele Fikile	0837400718	Safety	Female
2	Nkwanyana Bongani	0731363563	Youth Secretary	Male
3	Gumede Nokuthula	0787976369	Health	Female
4	Mabuyakhulu Phumlani	0732769251	Education	Male
5	Mthethwa Lindelani	0738910772	Infrastructure	Male
6	Ntombela Nobuhle	0799037461	Transport	Female
7	Hlongwane Sifiso	0737771496	Senior Citizen	Male
8	Meyer Tracy	0832457130	Social (Socio-Economic)	Female
9	Shange Thabi	0766832843	Economic/Environment	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 5

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
Cllr	S H Zulu	0736567216	Chairman	Male
1	Zulu Mbongeleni	0734006142	Safety	Male
2	Biyela Lungile	0764856982	Ngo's	Female
3	Mthethwa Thulebona	0736861970	Disaster	Male
4	Ntuli Reginah	0731596864	Transport	Female
5	Ngema Dlokwakhe Mj	0825127443	Projects	Male
6	Nkosi Sabelo	0733184010	Sports	Male
7	Wanda Thabsile	0731721369	Health	Female
8	Nsele Thulani	0824331241	Transport	Male
9	Mthethwa Nokukhanya	0739465499	Education	Female
10	Hlekwayo Hilton S	079745183 incomplete	Education / Agriculture	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 6

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
Cllr	D Ndimande	0734798776	Chairman	Male
1	Msweli Nonhlanhla Shongani	0734223454	Communication	Male
2	Ngema Nomsa Emeld	0729281052	Education Facilitator and coordinator	Female
3	Nyawo Nozipho Zabuya	0789864752	Religious coordinator	Male
4	Mdamba Thandeka	0788592999	Health Services	Female
5	Mthethwa Sakhamuzi Phumlani	0839619492	Community Development and youth development	Male
6	Manqele Mabutho Jabulani	0839438366	Community development	Male
7	Mhlanga Sipho Jonathan	0763870735	Transport	Female
8	Magcaba Sphamandla	0843380898	Sport development	Male
9	Zuma Thobeka	0793406588	Business and infrastructure	Female
10	Zungu Vusi	0783512829	Community and safety	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 7

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	W M Radebe	0760113760	Chairman	Male
1	Khuzwayo Vusumuzi	0837145218	Education Sector	Male
2	Ndwandwe Sithembiso	0722281259	Welfare Organization	Male
3	Dlamini Zodwa Kholiwe	0794781021	Health Sector	Female
4	Biyela Ntombizodwa	0791445402	Rates and Civic	Female
5	Tembe Dumsani	0720457350	Crime and Safety	Male
6	Zulu Nonhlanhla	0829628834	Women and Children	Female
7	Kuzani Bongive	0732300792	Business and Social Development	Female
8	Gumede Bongani	0818859941	Religious and Faith	Male
9	Manqele Thembani Celani	0731107765	Traditional and Culture	Female
10	Tembe Squmama Wayne	0760741796	Youth Development and Sport	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 8

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	S B Xaba	08373496651	Chairman	Male
1	Mthethwa Sonto	0784152142	Health and Social Develop	Female
2	Nyawo Nonhlanhla	0725925381	Health and Social Develop	Female
3	Gumede Ernest	0736026788	Rate payers	Male
4	Madide Khanyisile	0769159771	Rate payers	Female
5	Mpanza Winnie Nompumelelo	0781504076	Education and informal traders	Female
6	Ndlovu Ndodo Sibusiso	0780128794	Youth Sports and Recreation	Male
7	Msomi Zephania Themba	0737744535	Transport	Male
8	Gumede Muhle Mosses	0786600846	Community Develop and civic ass	Male
9	Mngomezulu Thandeka Barbara	0719158757	Disability	Female
10	Mkhwanazi Sindi Cynthia	0712824214	Women and Religious	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 9

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	E Palmer	0834096887	Chairman	Male
1	Mbatha Nonhlanhla	0785708190	Agriculture	Female
2	Luthuli Nonjabulo	0728047575	Sports & Recreation	Female
3	Ngcobo Ntombeziningi	0836834333	Transport	Female
4	Masuku Siphindile	0731606728	Housing	Female
5	Ntuli Anele	0823435655	Sports	Male
6	Ntuli Nombulelo	0726939043	Agriculture	Female
7	Khuzwayo Njabulo	0731085775	Housing	Male
8	Mngomezulu Reginah D	0829330366	Health	Female
9	Mngomezulu Sheila	0732707845	General	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 10

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	E J B Dube	0717236456	Chairman	Male
1	Dube Martha Ntombi	0716233146	Public Transport	Female
2	Mnqayi Elphas Sphiwe	0732752113	Faith Based Seat	Male
3	Dlamini Mduduzi Sylvester	0730873752	Education	Male
4	Dube Vincent Mbongeni	0721806619	Safety & Security	Male
5	Mnguni Sakhule Vernord	0730299772	Informal Traders Ass	Male
6	Nsele Nkosinathi	0836566126	Farmers (small & Comm)	Male
7	Mkhwanazi Thabsile	0723405047	Social Develop & Health	Female
8	Mbambo Winnie	0844576643	Senior Citizen	Female
9	Qulo Thembi	0829650224	Youth	Female
10	Nsele Londiwe	0785894459	Women Seat	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 11

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	M E Mhlongo	0722484859	Chairman	Male
1	Mahlambi M Zandile	0722111518	Deputy Chair	Male
2	Ntombela Madlenkosi	0768264953	Sports	Male
3	Zibane Ntombenhle	0839780478	Secretary	Female
4	Mhlongo Manqoba	0729471375	Churches	Male
5	Mattie Gladys	0736566211	Agriculture	Female
6	Mhlongo Matendane	0781806036	Churches	Male
7	Mthethwa Thembani	0722738382	Projects	Female
8	Mpanza Oscar	0829451084	Projects	Male
9	Ngobese Buza Gerald	0724439318	Sports	Male
10	Zikhali Eunice	0727253299	Crèches	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 12

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	John Cele	0769274849	Chairman	Male
1	Mthembu Elvis John	0733498331	Housing	Male
2	Ncube Perseverance	0738532284	Welfare	Female
3	Shabalala Sipho Sonnyboy	0738372825	Housing	Male
4	Hlophe Zibuse Bheki	0730506968	Welfare	Male
5	Madondo Fikelephi Nomusa	0793671863	Transport	Female
6	Gumede Mbongeni Bennedict	0739108858	Sports	Male
7	Mtshali Jabulani.	0710112845	Water & Sanitation	Male
8	Mbambo Jabulani Themba	0839838069	Transport	Male
9	Dube Zodwa Goodness	0838974333	Water & Sanitation	Female
10	Willows Phumzile Janet	0737835326	Sports	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 13

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	C S Kweyama	0731105847	Chairman	Male
1	Shozi Ntombizonke	0730139976	Senior Citizen	Male
2	Hlongwane S Mabanga	0781641158	YouthEducation	Male
3	Dube Sibusiso	0728112172	Health	Male
4	Khanyile Thembekile	0769972777	Transport	Female
5	Hadebe Jackson	0781148667	Sports	Male
6	Mbatha Thabile	0837311588	Welfare	Female
7	Sithole Philile	0834648650	Ngo's	Female
8	Sabela Zandile	0737813303	Water and Sanitation	Female
9	Maphumulo Falakhe	0726753684	Housing	Male
10	Mthembu George	0826631149		

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 14

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	M R Khumalo	0765370643	Chairman	Male
1	Xaba Nonhlanhla	0734054945	Econ Dev & Women	Female
2	Gabela John	0838615386	Human Settlement	Male
3	Mthethwa Muzi	0714267729	Youth Dev & Sports	Male
4	Mthembu Nonstikelelo	0710590470	Rural sanitation /rds,waste manag	Female
5	Msimanga Joel	0768893068	Rural rds,waste manag & infrastructure	Male
6	Ntuli Sinenhlanhla	0730644263	Social Development	Female
7	Majola Eric	0784017269	Rural Sanitation, art & culture, entertainment	Male
8	Mkhize Nonhlanhla	0733878676	Transport & health	Female
9	Mhlongo Khulekani	0766395058	Human Settlement	Male
10	Mtambo Thobeka	0720859930	Safety & SecurityEducation	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 15

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	S Nsibande	0726725473	Chairman	Male
1	Sibisi Nomsa Qinisile	0783278029	Women	Female
2	Masango Dumsane	0837289531	Education	Male
3	Mthembu Judas	0724558297	Safety & Security	Male
4	Mkhize Tholakele	0731250404	Rate Payers	Female
5	Myeni Sibongakonke	0724701758	Business Sector	Male
6	Khoza Hlengiwe	0719638718	Youth	Female
7	Nkosi Nkululeko	0780439934	Social Development and Health	Female
8	Mthiyane Sibongile Nana	0782511315	Senior Citizen	Female
9	Myeni Jabulisiwe Qhamu	0766143549	Public Transport	Female
10	Gumede Musawenkosi	0711176045	Faith Based Org	Male



## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 16

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
Cllr	N R Cele	0769274849	Chairlady	Female
1	Mngoni Sihle	0742480842	Water Projects	Male
2	Madonsela Nkosinathi	0839456336	Human settlement & Sanitation	Male
3	Ntuli Mzobanzi Godfrey	0724446544	Safety & Security	Male
4	Ngubane Phumlani Mbuyiseni	0780124053	Sports & Recreation	Female
5	Khanyile Ntombenhle	0729546237	Faith & Women	Female
6	Cele Philadephia Lungile	0832041512	Gender ( secretary)	Female
7	Mthethwa Samukelisiwe Faith	0823600201	Roads	Female
8	Mtshali Phindile Clara	0797480283	Electricity/ Transport	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 17

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
Cllr	G Nkosi	0829660772	Chairlady	Female
1	Dube Octavia	0745245043	Health	Female
2	Radebe Cebolenkosi	0826908262	Religious	Male
3	Sibiya Bheki Richard	0724828900	Disability	Male
4	Mkhize Phumzile	0825024015	Education	Female
5	Jiyane Sebenzile	0832077798	Welfare	Female
6	Dlamini Khethiwe	0760543714	Women's and Children	Female
7	Mzimela Sboniso	0838656100	Youth	Male
8	Msweli Jabu	0739452762	Business & Finance	Female
9	Mngomezulu Siyabonga	0838817046	Transport & Sports	Male
10	Gumbi Class	0835181079	Safety & Security	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 18

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
Cllr	S S Mthiyane	0734125410	Chairman	Male
1	Dindi Sfiso Samuel	0762663896	Education and Housing	Male
2	Mthethwa Nompumelelo	0785230058	Housing and Road	Female
3	Sabela Nokuthula	0845430428	Sanitation and Welfare	Female
4	Nxumalo Nkosiyaakhe	0736059194	Water and Road	Male
5	Shezi lindiwe	0746882886	Health and Home Affairs	Female
6	Gabela Beatrice Fikile	0827338017	Health and Sanitation	Female
7	Nxumalo Goodman	0721128526	Education and Transport	Male
8	Mbambo Xolani	0738026702	CPF and Sports	Male
9	Gasa Xolani	0712836106	CPF and Sports	Male
10	Khumalo Ritta	0788168266	Welfare	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 19

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIr	L M Danisa	0724071103	Chairlady	Female
1	Luthuli Emmanuel Sifiso	0760529943	Health	Male
2	Nyawo Lindokuhle Manqoba	0722896910	Sassa	Female
3	Jali Mable	0763829525	Sports	Female
4	Mdlalose Nduduzo	0728573123	Youth	Male
5	Ngcobo Derrick Z	0823904208	Welfare	Male
6	Sibiya Lindeni	0723070294	Traditional Authorities	Female
7	Mdluli Hlengiwe Winnie	0834714350	Transport	Female
8	Mahlangu David	0833531302	DSD	Male
9	Mncube Bonginkosi	0829206801	Religious and Transport	Male
10	Ngubane Willie	0732481618	Traditional Healers	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 20

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIr	B C Mthembu	0722566660	Chairlady	Female
1	Khumalo Thandeka	0762011113	Youth	Female
2	Sithole Ntombisekhaya	0794077973	Health	Female
3	Mthethwa Sabathile	0710080866	Education	Female
4	Cebekhulu Muziwakhe	0736069140	Water and Sanitation	Male
5	Mbuyisa Walter	0769759030	Transport	Male
6	Khumalo Rhoda	0715986571	Housing	Female
7	Sibisi Ntombilezi	0732218583	Senior Citizens	Female
8	Khumalo Dudu	0734461945	Faith and Religious	Female
9	Gwala Thembi	0739538449	Sports and Recreation	Female
10	Chiliza Emmanuel	0769138343	Safety and Security	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 21

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIr	M Mbokazi	0721428154	Chairman	Male
1	Mbokazi Brenda	0799200396	Health Services	Female
2	Biyela Sithembiso	0827088365	Sports and Recreation	Female
3	Nzuza Thokozile	0763970691	Religious /Faith	Female
4	Dhlahdla Duduzile	0735037398	Women's &Traditional Affairs	Female
5	Mbatha Allan	0721966774	Social Development	Male
6	Vilakazi Mbongeni	0715752883	Traditional	Male
7	Madlopha Ednah	0784199879	Transport	Female
8	Mngomezulu Sylvia	0789257582	Education	Female
9	Sangweni Siyabonga	0784720048	Youth	Male
10	Nkosi Alfred	0735896008	Safety and Security	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 22

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	M W Mthenjana	0727378430	Chairman	Male
1	Khumalo Dudu	0835653126	Health	Female
2	Mlambo Lucy	0710042405	Senior Citizen	Female
3	Dubazana Thembekile	0738084252	Social Development	Female
4	Dube Thokozani	0715015177	Sports	Male
5	Zikhali Noloyiso	0796767877	Religious Sector	Female
6	Mkhwanazi Tholiwe	0762698988	Education	Female
7	Ngema Dudu	0738933010	Transport	Female
8	Chili Christopher	0733308772	Safety and Security	Male
9	Mkhwanazi Alexander	0833614056	Senior Citizen & People with Disability	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 23

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	A de Lange	0833217844	Chairman	Male
1	King Shelly	0839896278	Education	Female
2	Mackay Kenneth	0826599044	Health	Male
3	Dlamini Phila	0786965527	Safety and Security	Male
4	Ntuli NgceboShadrack	0731733791	Youth	Male
5	Mbongeleni Johannes Dlamini	0837583508	Transport	Male
6	Mthenjana Nokuthula Rosemary	0836887877	Welfare	Female
7	Peyters Raymond Gerald	035-7723095	Senior Citizen	Male
8	Magnificent Goba	0782957370	Water and Sanitation	Male
9	Vahed A		Agriculture	Male
10	Tlou S		Infrastructure	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 24

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	G M Mkhize	0725255789	Chairlady	Female
1	Mbatha Zakhele	0784804127	Youth Sector	Male
2	Buthelezi Mavis	0769352089	Water and Sanitation	Female
3	Majola Sphiwe	0734901371	Religious Sector	Female
4	Makhathini Thembinkosi	0833429694	Transport and Crime	Male
5	Makhathini Thandi Zodwa	0822090818	Health	Female
6	Mkhasibe Gugu	0829661829	Education	Female
7	Shandu James	0834899276	Community Safety	Male
8	Biyela Samalia	0787372607	Senior citizen	Female
9	Ngubane Mfanafuthi	0726487745	Sport and recreation	Male
10	Makhathini Thembinkosi	0833429694	Transport and Crime	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 25

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	B T Mthiyane	0835033827	Chairman	Male
1	Mathe Thamsanqa	0730530159 / 0767170846	Road & Transport	Male
2	Mkhwanazi Khethiwe	0732120447	Education and Training	Female
3	Sithole Sibusiso	0849491163	Youth Development	Male
4	Mbili Sindisiwe	0733665439	Women's, Children & Disability	Female
5	Sibisi Mandlakayise	0726585854	Safety and Security	Male
6	Zungu Theminkosi	0798720984	Infrastructure development	Male
7	Myeni Yolanda	0724563098	Health & Welfare	Female
8	Mdletshe Bhekinhlanhla	0783851164	Ward Economic development	Male
9	Mnguni Thembelizayo	0797327780	Agriculture	Female
10	Ntuli Vusi	0727005967	Culture, Sport & Secretion	Male
11	Saragee Dumsani	0846844188	Education	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 26

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	Clr A S Dawood	0722566660	Chairman	
1	Heath Shella	0762011113	Housing	Female
2	Steinbank Phillip	0794077973	Welfare and Education	Male
3	Mfeka Thokozane Penelope	0710080866	Sports & Transport	Female
4	Mawele Nozipho	0736069140	Water	Female
5	Muthusamy Mariappen	0769759030	Housing	Male
6	Saravan Kalayvany	0715986571	Secretary	Female
7	Govender Rebekah	0732218583	Safety and Security	Female
8	Govender Ray	0734461945	Welfare and Education	Male
9	Saravan dan Perumal	0739538449	General Services , Water & Sanitation	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 27

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIlr	L B Shangase	0720607165	Chairlady	Female
1	Mpanza Bongokuhle	0833255653	Crime, Health ,Environment & Funerals	Female
2	Khanyile Ntuthuko	0761725420	Education, Health, Environment & Funerals	Male
3	Goqo Prisca	0728435206	Health, Environment & Funerals	Male
4	Mfeka Nokwazi	0829595833	Gradenig,Health,Environment& Funerals	Female
5	Ntuli Bheki	0788626470	Education, Transport, Health, Environment & Funerals	Male
6	Ntuli Sifiso	0780767212	Health, Environment & Funerals	Male
7	Mthethwa Sanele	0787295567	Sports,health,Environment & Funerals	Male
8	Mtshali Thulani Aurther	0735143699		Male
9	Biyela Thabisile	0732041768	HIV AIDS, CCGS, Health, Environment & Funerals	Female
10	Nxumalo Nkosinomusa	0834225792	Transport, Health, Environment & Funerals	Female



## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 28

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIr	P M Ntanz	0835243685	Chairman	Male
1	Myeni Doreen	0734683962	Welfare	Female
2	Mthethwa Mandla	0727415632	Safety & Security	Male
3	Kunene Thandi	0787352556	Health	Female
4	Mafuleka Dominic	0795958979	Coordinator of all portfolios	Male
5	Xulu Enock	0733015562	Agriculture	Male
6	Gumede Sphelele	0733242453	Youth Development	Male
7	Ntombela Bonisiwe	0730454368	Women Development	Female

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 29

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIr	Prince Mthunzi Mathenjwa	0839565583	Chairman	Male
1	Gumede Lindokuhle Sipho	0739563863	Deputy Secretary	Male
2	Mngomezulu Nkosinathi Simiso	0733316111	Transport & Sport	Male
3	Khoza Bakhonzelenkosini	0761565601	Education	Male
4	Mdletshe Bonisiwe Nelezi	0727685838	Social Development	Female
5	Makhaye Basil Sizwe	0728154164	Infrastructure	Male
6	Sibiya Sdudla Thandazile	0796254965	Agriculture	Female
7	Dube Ntombikayise	0782677592	Education	Female
8	Zulu Mandlenkosi	0839859860	Community Safety & Security	Male
9	Mkhize Florence Mary	0725509789	Secretary	Female
10	Dludla Ntozakhe Nono	0843047804	Traditional Affairs	Male

## CITY OF UMHLATHUZE WARD COMMITTEE MEMBERS-WARD 30

	Date:2014 DMS 915563	Contact Number	Portfolio /Sector	Gender
CIr	D J Xulu	0836971913	Chairman	Male
1	Mhlongo Zanele	0768456812	CPF & Ward Secrecy	Female
2	Wyne Boy	0766491841	Transport & Housing	Male
3	Mthembu Ebbie	0826226636	Traditional Affairs & Women Issues	Female
4	Sithole Thembisile	0721153776	Agriculture	Female
5	Nsele Welcome	0736009772	Sports & Recreation	Male
6	Mbatha Octavia Nokulunga	0731967117	Safety & Security	Female
7	Ndlamlenze Nondumiso	0731398316	Agriculture	Female
8	Makhwasa Xolisile	0844632784	Education and Traditional Affairs	Female
9	Zulu Sakhile Prince	0720445713	Health	Male
10	Ndlovu Xolani Njabulo	0846412126	Housing & Sports	Male

# APPENDIX G:

## AUDIT COMMITTEE REPORT

The Honourable Speaker  
Council of the City of uMhlathuze  
Civic Centre  
Mark Strasse  
Richards Bay  
3901

Dear Sir

### REPORT OF THE AUDIT COMMITTEE TO COUNCIL

The Audit Committee of the City of uMhlathuze has pleasure in submitting its tenth report to the Council of the City of uMhlathuze. This report is submitted in terms of the provisions of sections 121(3)(j), 166(2)(b) and 166(2)(c) of the Municipal Finance Management Act of 2003 ("the MFMA") and covers the financial year from 1 July 2015 to 30 June 2016 except where otherwise stated.

### Members

1. The following persons served as members of the Audit Committee for the year under review:

S Nkonzombi - Chairperson  
A Dhuki  
B Zulu  
EMS Ntombela - (resigned 30/09/2015)  
N Zulu - (appointed 01/10/2015, resigned 01/12/2015)  
J Ndlovu - (appointed 01/04/2016)

Upon resignation of Dr. EMS Ntombela, Mrs J Ndlovu, served as Chairperson of the Performance Audit Committee and as such represented the Audit Committee on the Performance Audit Committee.

### Overview of activities

2. The Audit Committee had five formal meetings during the period covered by this report. The Audit Committee therefore complied with the provisions of section 166(4)(b) of the MFMA which requires the Audit Committee to meet at least four times per year.
3. The meeting dates and attendance at these meetings were as follows:

Name	29 October 2015	08 December 2015	01 April 2016	20 May 2016
S Nkonzombi (Chairperson)	✓	✓	✓	✓
A Dhuki	✓	✓	✓	✓
B Zulu	✓	✓	✓	✓
EMS Ntombela (resigned 30/09/2015)	n/a	n/a	n/a	n/a
N Zulu (Appointed and (Resigned 01/12/2015)	✓	n/a	n/a	n/a
J Ndlovu (appointed 01/04/2016)	n/a	n/a	✓	✓

4. Set out below is a summary of the matters which were dealt with at the Audit Committee meetings:
- The Internal Audit Plan for the 2015/2016 financial year was considered and approved;
  - Council's Enterprise Risk Management Policy document was considered and commented upon;
  - The recommendations and guidance contained in Guideline 65 which was issued by National Treasury during November 2012 was considered and is dealt with in more detail below;
  - At each of the meetings, reports from the internal auditors on work done by them in terms of the approved audit plan, was tabled, discussed and approved;
  - At each meeting a progress report of actual work done as measured against the Internal Audit Plan, was considered;
  - At each meeting feedback was received and considered relating to critical ICT issues and related risks;
  - Attention was given to Council's Performance Management System by considering reports from Council's Performance Management Committee.

## Report

5. For purposes of executing its statutory duties as contained in section 166(2)(a) of the MFMA as well as its mandate as set out in the Audit Committee Charter, the Audit Committee relies on the work done by internal audit. The internal audit function is overseen and coordinated by the Chief Audit Executive who is a Council employee. In executing her mandate, the Chief Audit Executive was assisted by the following contracted firms of professional service providers:

SM\_Xulu Consulting  
SekelaXabiso .  
PricewaterhouseCoopers  
Deloitte & Touche

6. In order to be able to rely on the work performed by internal audit, the Audit Committee has to satisfy itself that the quality and scope of the work performed by internal audit is sufficient to be able to place the necessary reliance thereon. This requires that the internal auditors should be able to do their work without any restrictions and that the internal auditors are, at all times, fully independent. It is the view of the Audit Committee that the work performed by internal audit is of a high standard, that it is properly planned and controlled and that the reporting is detailed and comprehensive. There is also sufficient evidence that internal audit findings are discussed with the responsible officials and that implementation of corrective measures that have been agreed upon, is followed up regularly. Consequently we have no hesitation in relying on the work performed by internal audit for purposes of executing our mandate. We are therefore in a position to advise Council that as far as matters relating to internal financial control, the adequacy, reliability and accuracy of financial reporting, performance management and evaluation, effective governance and compliance with the MFMA and other relevant legislation are concerned, the internal audit reports considered by the Committee have not revealed any material issues that may compromise any of these functions or responsibilities. This comment should however be read with our concerns and recommendations which are dealt with in paragraph 10.
7. Section 166(2)(b) of the MFMA requires the Audit Committee to "review the annual financial statements to provide the council of the municipality with an authoritative and credible view of the financial position of the municipality, its efficiency and effectiveness and its overall level of compliance with this Act, the annual Division of Revenue Act and any other applicable legislation". For these purposes, the Audit Committee relies on the work performed by the Auditor-General during its audit of the financial statements of the municipality.
8. The members of the Audit Committee reviewed the financial statements and the report of the Auditor General for the year ended 30 June 2016 and can report as follows:

### *Auditor General's report on the financial statements*

- 8.1 The Auditor-General's report on the financial statements has been noted. In this regard it is pleasing to note that the Auditor-General expressed an unqualified audit opinion on the financial statements for the year ended 30 June 2016.
- 8.2 An overview of the financial performance of Council for the year ended 30 June 2016 is set out in the table below.

## Financial performance for the year ended 30 June 2016

	Comment	2016 R000	2015 R000
1	Financial performance Total income Total expenditure Surplus for the year <i>Surplus for the year slightly decreased compared to the previous year as a result of a decrease in total revenue against an increase in expenditure.</i>	2 723 951 2 599 686 <u>124 266</u>	2 737 981 2 588 772 <u>149 209</u>
	Comment	2016 R000	2015 R000
2	Positive cash flow from operating activities Council achieved positive cash generation from operating activities after the removal of non-cash items (primarily depreciation).	507 270	620 092
3	Revenue from property rates and service charges Percentage increase	2 084 147 3.59%	2 012 006 5.7%
3	Revenue from property rates and service charges Percentage increase	2 084 147 3.59%	2 012 006 5.7%
4	Revenue from government grants Percentage increase	492 508 7.79%	456 923 21.7%
5	Employee costs Percentage increase	592 773 9.30%	542 327 9.8%
6	Bulk purchases Percentage decrease	1 047 811 4.8%	1 100 661 4.5%

## Financial position at 30 June 2016

	Comment	2016 R000	2015 R000
1	Net assets Increase as a result of the surplus for the year	4 549 985	4 425 719
2	Cash and cash equivalents <i>Increase primarily due to positive cash flow from operating activities</i>	462 406	421 637
3	Trade receivables before provision for bad debts <i>Percentage increase</i>	404 440	361 011
4	Provision for bad debts There seems to have been a deterioration in collections which is evidenced by the increase in trade receivables (see 3 above) which required an increase in the bad debt provision	(101 785)	(109 661)
5	Ratio of current assets to current liabilities <i>This ratio, which is an indicator of liquidity, is almost equivalent to prior year.</i>	1.3:1	1.3:1
6	Percentage overspending of final approved operating expenditure budget	5.04%	15.4%
7	Percentage under-spending of final approved capital expenditure budget	21.5%	36.2%
8	Percentage under-spending of conditional grants received	29.47%	25.4%

9. Insofar as the provisions of section 166(2)(c) of the MFMA are concerned, we can report that, in our opinion, there are no issues raised by the Auditor General in the audit report which require Council's specific attention.



## Reporting and disclosure

10. The preparation of Council's annual financial statements is governed by various International Financial Reporting Standards, Generally Recognised Accounting Standards and Generally Accepted Municipal Accounting Standards. In addition, there are a number of financial reporting requirements issued by National Treasury which have to be complied with. In spite of the substantial compliance burden which these standards require, Council's Treasury Department managed, as in the previous financial year, to comply with these standards to the satisfaction of the Auditor General and Treasury should, in our view, be congratulated with this achievement. Future compliance with financial reporting standards will however continue to place severe strain on existing financial capacity and infrastructure. It is therefore crucial that Council acknowledge the importance of maintaining and improving its financial capacity to meet this ongoing challenge.

### Guideline 65

- 10.1 During November 2012, National Treasury issued Guideline 65 under the Municipal Finance and Management Act of 2003 titled *Internal Audit and Audit Committee*. The stated purpose of this guide was to assist municipalities in improving the effectiveness of internal audit and their Audit Committees. The Audit Committee devoted considerable time to the recommendations contained in this document which resulted in the following outcomes:

- The Audit Committee Charter and the Internal Audit Charter was redrafted in order to more accurately reflect the proposals and principles contained in Guideline 65, and
- The Guideline appeared to recommend that municipalities with a separate Performance Audit Committee should combine this committee and the Audit Committee into one committee. This recommendation caused considerable debate within the municipality and culminated into the Chairpersons of the Audit Committee and Performance Audit Committee being requested to engage with National Treasury to obtain clarity on this matter. This was duly done and the respective Chairpersons issued a report dated 5 June 2013 in which a recommendation was made that the current status quo be retained and that the Audit

### Internal audit issues

- 10.2 The main function of the Audit Committee is to receive and consider reports from Internal Audit in which their findings on work done in terms of the approved Internal Audit Plan are recorded. For purposes of completeness, the process which is typically followed when a specific area is selected for audit is as follows:

- A pre-scoping meeting is held with the HOD and other senior officials of the relevant department in which the audit objectives and outcomes are discussed;
- A scoping document is then prepared which is approved by the relevant HOD;
- DMS 1015084 254
- Fieldwork commences. During this process regular interaction with relevant officials takes place;
- After completion of the fieldwork a draft report is prepared for discussion with the HoD and senior officials. The purpose of this discussion is to iron out any errors or differences of opinion and to obtain managements' comments and implementation commitments;
- These reports are collated on a quarterly basis and presented to the Municipal Manager and other senior officials for discussion and final approval;
- These approved reports are then tabled at the next Audit Committee meeting for discussion.

- 10.3 Because of the above procedure and the fact that the Audit Committee only meets on a quarterly basis, the time line from initiation of an audit cycle to final reporting is very long and, as a result, some urgency with the addressing of identified problem areas is lost. It is however, conceded that the interaction between Internal Audit and officials during the fieldwork stage has a lot of value and compensates to a degree for the lost benefits associated with the long reporting time line.

## Conclusion

11. The implementation and maintenance of proper systems of internal control, the prevention of fraud and error, the safeguarding of the assets of the municipality and compliance with relevant laws and regulations, are Council's responsibility. The role of the Audit Committee is to monitor the efficiency of the procedures and mechanisms which Council has put in place in order to ensure that its policies and procedures are adhered to. We can report that, taking into account the exceptions noted above and based on the reports submitted to us, that our overall impression is that the systems and procedures implemented by council are operating efficiently.
12. We also wish to take the opportunity to thank the Municipal Manager and his officials for their hard work and the dedication they display to their duties and their positive interaction with the Audit Committee.

Yours faithfully

S Nkonzombi  
Chairman – Audit Committee  
09 December 2016

## APPENDIX H:

## LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP

File Number	Name of contract	Type of agreement	Duration
F353	Department of Environmental Affairs	Memorandum of Agreement	1 June 2013 - 31 May 2016
F344	Department of Transport	Agreement of Financial Support	31 Jan (Termination by notice)
F330	Department of Education	Memorandum of Agreement	2016- 2017 cycle
F322	Department of Water Affairs	Memorandum of Agreement	2014- 2015 cycle
F320	Department of Health		
F306	Department of Arts and Culture		
F218	The Kwazulu Natal Provincial Treasury		
F240	City of uMhlathuze & Umfolozi FET College		

## APPENDIX I:

### MUNICIPAL ENTITY/SERVICE PROVIDER PERFORMANCE SCHEDULE

The City does not have a Municipal owned entity at this stage

## APPENDIX J:

### RECOMMENDATION OF THE MUNICIPAL AUDIT COMMITTEE

Recommendation of Audit Committee See (Appendix G)



## APPENDIX K(I):

## REVENUE COLLECTION PERFORMANCE BY VOTE

Vote	Actual 2015/2016	Adjusted Budget 2015/2016	Actual / Budget
	R'000	R'000	%
City Development	121 613	105 004	116
Community Services – Health and Public Safety	136 933	128 589	106
Community Services – Recreation and Environmental Services	22 707	29 425	77
Corporate Services - Administration	5 272	7 268	72
Corporate Services – Human Resources	1 017	163	624
Financial Services	417 995	405 021	103
Infrastructure and Technical Services – Electricity Supply	1 355 668	1 352 844	100
Infrastructure and Technical Services – Engineering Support	22 789	24 518	93
Infrastructure and Technical Services – Transport and Roads	3 619	16 091	22
Infrastructure and Technical Services – Water and Sanitation	633 089	660 923	96
Office of the Municipal Manager	3 249	3 138	104
<b>TOTAL REVENUE</b>	<b>2 723 951</b>	<b>2 732 983</b>	<b>99</b>

## APPENDIX K (II):

### REVENUE COLLECTION PERFORMANCE BY SOURCE

#### ASSESSMENT BY THE MUNICIPALITY'S ACCOUNTING OFFICER OF THE MUNICIPALITY'S PERFORMANCE FOR REVENUE COLLECTION FROM EACH REVENUE SOURCE AND FOR EACH VOTE OF THE MUNICIPALITY

The Rates base of the City has increased by R 35 million which is 10 per cent year on year comparison (this includes a 8.2 percent increase in rates tariff). National and provincial grants and public contributions allocations have increased by R 35 million. The total allocation of R492 million still only represents only 18 percent of the City sources of revenue.

The revenue from exchange has reduced by 2.1 percent on year on year comparison. This has been primarily due to decrease in service contributions and also revenue on traffic fines. The municipality however did management to receive 99% of its budgeted revenue.

#### Revenue performance by source

Vote	Actual 2015/2016	Adjusted Budget 2015/2016	Actual / Budget
	R'000	R'000	%
Property rates	373 295	374 178	99
Service Charges	1 710 851	1 752 777	98
Rental of facilities and equipment	9 945	11 524	86
Interest earned – external investments	32 411	21 982	147
Interest earned – outstanding debtors	54	90	60
Fines	11 282	3 732	302
Licences and Permits	3 525	3 607	98
Income for agency fees	6 249	7 000	89
Government grants and subsidies	492 508	529 128	93
Public contributions	4 740	-	-
Other income	63 538	28 965	219
Gains on sale of land	15 553	-	-
<b>TOTAL REVENUE</b>	<b>2 723 951</b>	<b>2 732 983</b>	<b>99</b>

# APPENDIX L

## CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

DETAIL OF GRANT	VARIANCE					MAJOR CONDITIONS APPLIED BY DONOR
	BUDGET	ADJUSTMENT BUDGET	ACTUAL	BUDGET	ADJUSTMENT BUDGET	
Finance Management	1 600 000	1 600 000	1 600 000	-	-	This grant is used to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).
Municipal Systems Improvement	930 000	930 000	930 000	-	-	This grant is used to assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act (MSA) and related legislation.
Infrastructure Skills Development	7 500 000	7 500 000	7 500 000	-	-	This grant is used to strengthen capacity of local government to effectively and efficiently deliver quality infrastructure by increasing the pool of skills available, to facilitate lifelong learning and the transfer of knowledge and skills to municipalities.
Electrification Projects	9 000 000	9 000 000	9 000 000	-	-	Department of Minerals and Energy provided a grant in support of Electrification Projects.
Expanded Public Works Programme Integrated	2 961 000	2 961 000	2 961 000	-	-	This grant is used to incentives municipalities to expand work creation efforts through the use of labour intensive delivery methods in compliance with EPWP Guidelines.
Rural household Infrastructure	4 500 000	4 500 000	2 147 625	100.00	100.00	The grant is to provide specific capital funding for the reduction of rural sanitation backlogs
Infrastructure Water Projects	50 882 000	50 882 000	46 760 546	-0.08	-0.08	The grants is to facilitate the planning, acceleration and implementation of various projects that will ensure water supply
Library Subsidy - Public Internet Access	1 020 000	1 520 000	1 020 000	-	-0.33	This grant is used to appoint library computer assistants at various libraries.
Library Subsidy	6 289 000	6 289 00	6 789 000	0.08	0.08	This subsidy is used towards the current staffing and operational costs of the libraries.
Museum Subsidy	166 000	166 000	166 000	-	-	This subsidy is used in the daily running of the Empangeni museum.
Department of Water Affairs	7 000 000	7 000 000	5 742 523	-0.18	-0.18	The grant is for refurbishment of water services works.

# APPENDIX M (I):

## CAPITAL EXPENDITURE – NEW ASSETS PROGRAMME

FUNCTION	DETAILED PROJECT DESCRIPTION	AMOUNT
Budget and Treasury Office	SCM - Roller Door For SCM	128,031.20
	Furniture	29,990.56
	Laptops For Training	118,157.40
	<b>TOTAL BUDGET &amp; TREASURY</b>	<b>148,147.96</b>
Community & Social Services	Airconditioners For Park Offices In Alton Parks	1,157.90
	Aircon For Office C253 (HR Admin)	7,561.41
	Airconditioner For Alton Clinic	9,470.17
	Construction Of Smme Retail Parks	11,172.00
	Airconditioners (Budget Office: D121)	22,442.99
	Electricity Connection - W & S Offices (A1227 Ngwelezane)	31,842.13
	Other Capital Projects (Community Services)	52,050.00
	Iniwe Hall	57,750.00
	Civic Centre Emp 1 & 2 Central Cooling Unit	63,213.80
	Libraries And Archives	355,935.00
	Construction Of Informal Trading Stalls	687,437.36
	Construction Of Taxi Ranks (Buildings And Surrounding) - Lot 63 Richards Bay And A Rank)	1,223,125.00
	Aquadene Library	1,489,094.73
	Standby Quarters At Services Centre Electricity	1,792,813.80
	Beach Equipment	226.00
	Sportsfield Equipment	1,592.96
	Playground Equipment	11,600.00
	Other Capital Projects (Community Services)	13,300.00
	Hand Mowers Chain Saws Brush Cutters Pole Pruner	29,479.00
	Tourism Development	143,500.00
	Floodlights - Various Sportsfields	630,372.81
	Construction Of Combi Court At Mandlazini	1,234,316.37
	Sport Development National Lotteries	1,547,909.60
	Beautification (All Areas)	2,012,312.88
	Sports Projects	2,414,422.88
	<b>TOTAL COMMUNITY &amp; SOCIAL SERVICES</b>	<b>13,844,098.79</b>



Corporate Services	Office Furniture	1,093.33
	3 X Laptop Docking Station And Screens	2,595.00
	Laptop And Docking Station	3,500.00
	Shredder For SCM	7,560.00
	2 X Laptops For Financial Services	8,850.00
	Shelving SCM	11,235.47
	Laptop For Manager SCM	27,000.00
	Furniture	119,896.72
	5 Ton Forklift	237,991.00
	Double Cab 4X2	262,713.19
	TRAFFIC ENFORCEMENT VEHICLES	262,713.19
	3 X 4 Door Hatch Back Sedans	475,950.00
	Refuse Trucks	624,324.74
	New & Replacement Of It Related Equipment	2,419,311.23
	Mayoral Fleet (X3)	2,831,185.35
	Acquisition Of Call Centre And USSD	3,185,122.81
	Replacement Vehicles	7,441,336.45
	Aerial Platform Fire Services	9,099,693.39
	FIBRE LINK TO ESIKHALENI	10,459,000.00
	Replacement Of Yellow Plant	19,516,858.96
	<b>TOTAL CORPORATE SERVICES</b>	<b>56,997,930.83</b>
Electricity	Process Control Signalling System	29,990.00
	CABLE AT ALTON RECYCLING CENTRE	49,401.00
	Electrification Of Mzingazi Area (209 Stands)	51,389.00
	Electrification Of Ngwelezane Idt (Newtown)	70,380.00
	Dumisani Makhaye Village Electrification - Phase 6	159,490.83
	Floodlights - Various Sportsfields	496,188.17
	Electrification Of Mandlazini Area (564 Stands)	667,151.93
	Energy Losses Project	803,713.44
	Network Master Plan	1,410,372.95
	A1275 Ngwelezane Electrification	3,032,679.69
	<b>TOTAL ELECTRICITY</b>	<b>6,770,757.01</b>
Health	Furniture For Clinic	25,460.00
	Air Pollution Equipment	961,666.61
	Occupational Health Clinic	3,000,764.86
	<b>TOTAL HEALTH</b>	<b>3,987,891.47</b>
Housing	Acquisition Of Land	82,500,000.00
	<b>TOTAL HOUSING</b>	<b>82,500,000.00</b>
Planning and Development	Planning-Design Of Richards Bay Waterfront Bridge	278,800.00
	Office Furniture	15,729.00
	Market Stalls-Nseleni	643,569.52
	<b>TOTAL OTHER</b>	<b>938,098.52</b>

Public Safety	Mandlankala/ Maholoholo Streetlighting Installation	68,915.95
	Security Bicycle Project	340,001.50
	Esikhaleni Fire Station - Plan And Construct	629,329.08
	Richards Bay Fire Station - Plan And Construct Phase One	779,115.79
	Esikhaleni Fire Station - Plan And Construct	941,739.75
	John Ross/Empangeni Main Streetlighting Installation	1,276,297.19
	<b>TOTAL PUBLIC SAFETY</b>	<b>4,035,399.26</b>
Road Transport	Bus Shelters & Laybys - All Areas	194,960.01
	Civic Services Infill Areas (J1 & H3 Area)	205,260.00
	Traffic Calming	216,500.00
	Walkways And Bridges	582,935.70
	Urban Roads-Madlanzini Road (Tarring Main Road)	1,343,971.86
	ROADS -RURAL ROADS	1,209,543.51
	<b>TOTAL ROAD TRANSPORT</b>	<b>3,753,171.08</b>
Waste Management	Skips	72,000.00
	Establishment Transfer Station Enseleni For Recycling	1,422,946.48
	<b>TOTAL WASTE MANAGEMENT</b>	<b>1,494,946.48</b>
Waste Water Management	Ablution Facilities At Naval Island	80,000.00
	Rural Household Infrastructure Sanitation	1,852,292.59
	Rural Sanitation (Counter Funding)	8,248,704.83
	Aquadene Bulk Services (Sanitation)	12,969,688.93
	Rural Sanitation	20,651,566.47
	<b>TOTAL WASTE WATER MANAGEMENT</b>	<b>43,802,252.81</b>
Water	Bulk Master Plan	93,783.81
	Mkhwanazi North Bulk Water Supply Phase 5	1,233,795.68
	Rural Households Infrastructure	2,647,707.41
	Reduction Of Non-Revenue	9,043,387.55
	Construction Of 20Ml Reservoir Empangeni (Hilltop)	9,261,165.62
	Aquadene Bulk Services (Water)	13,922,681.75
	Rural/Semi-Urban Areas	37,271,098.66
	<b>TOTAL WATER</b>	<b>73,473,620.48</b>
<b>TOTAL CAPITAL EXPENDITURE - NEW ASSETS PROGRAMME</b>		<b>291,746,314.68</b>

# APPENDIX M (II):

## TOTAL CAPITAL EXPENDITURE – UPGRADE/RENEWAL PROGRAMME

FUNCTION	DETAILED PROJECT DESCRIPTION	AMOUNT
Budget and Treasury	SCM Refurbishments	84,932.30
	<b>TOTAL BUDGET &amp; TREASURY</b>	<b>84,932.30</b>
Community & Social Services	Renovations - ICT Section	2,826.50
	Esikhaleni Extension/Development Of Cemetary	2,375,292.63
	Renovation CFO Secretary Office	5,323.26
	Extension Of Track Washer Room (Refuse)	13,723.50
	Western Services Depot - Refurbishment	21,714.00
	Improved Security Satelite Offices	23,420.00
	Upgrade Laboratory	43,538.19
	Re-Designing Office Space	117,290.00
	Civic Centre - Roofing And Water Proofing	148,400.00
	New Hall - Extension	171,376.05
	Replacement Of Central Plant Air Conditioner Civic Centre R/Bay Unit B001	177,864.50
	Umsasandla Thusong Centre - Extension	211,593.00
	Enseleni Hall - Upgrade (Construct Fencing And Lift For Disabled)	283,860.00
	Esik Library - Extension	351,821.06
	Civic Centre	387,605.99
	Ngwelezane Hall - Extension	500,000.00
	Renovations And Improved Security Access Expenditure Section	546,964.00
	R/Bay Extension/Development Of Cemetary	632,595.50
	Esikhaleni Extension/Development Of Cemetary	2,217,329.20
	Structural Inspection Of Municipal Buildings	1,156,844.96
	Halls	1,272,708.93
	New Hall - Extension	585,134.91
	Upgrade Irrigation System At Mandlanzini	3,850.00
	Upgrading Rural Sportsfields	13,042.00
	Esikhaleni Park (Pool Area)	124,594.73
	New Field Courts - Upgrade	326,274.40
	Mzingazi Sportsfield	396,196.50
	Veldenvlei Hall - Refurbishment	594,347.81
	Upgrading Rural Sportsfields	618,900.00
	Esikhaleni College Courts Upgrade	773,056.00
	Additions To Athletics - Lotto Funding	2,575,923.68
	Beach Erosion Project	9,129,925.27
	Ntuzi Hall - Upgrade (Construct Guard House Fencing And Lift Disabled)	2,881,266.77
	<b>TOTAL COMMUNITY &amp; SOCIAL SERVICES</b>	<b>28,684,603.34</b>
Corporate Services	Replace 3 X 132 Column Impact Printers	16,999.20
	Nkosi Mqedi Monument	43,300.00
	<b>TOTAL CORPORATE SERVICES</b>	<b>60,299.20</b>

Electricity	132kv Breakers Replacement At Polaris Substation	5,766.28
	Upgrade Of Electricity Supply	136,800.00
	Electrification Of Mandlazini Area (564 Stands)	667,151.93
	Replace Xlpe Med Volt Cable With Paper Ins. Cable	1,403,937.00
	Cygnus MV Switchgear Replacement	9,641,881.39
	<b>TOTAL ELECTRICITY</b>	<b>11,855,536.60</b>
Housing	Esikhaleni Refurbish Hostels	762,329.70
	Bhambatha Hostels Roof Refurbishment	3,552,274.00
	<b>TOTAL HOUSING</b>	<b>4,314,603.70</b>
Other	Fencing - Airport	3,000.92
	Extention To Richards Bay Airport	401,555.70
	<b>TOTAL OTHER</b>	<b>404,556.62</b>
Road Transport	Street Rehabilitation - Tanner Road	121,771.00
	Bus Shelters & Laybys - All Areas	194,960.01
	Upgrade Of Intersections	198,000.00
	Roads-Urban Road Doubling Of North Central Art	662,548.45
	Roads -Rural Road -MIG	1,209,543.51
	Esikhaleni Intersection	3,034,003.08
	Roads Resealing	3,756,999.61
	<b>TOTAL ROAD TRANSPORT</b>	<b>9,177,825.66</b>
Waste Management	Skips	72,000.00
	Establishment Transfer Station Enseleni For Recycling	1,422,946.48
	<b>TOTAL WASTE MANAGEMENT</b>	<b>1,494,946.48</b>
Waste Water Management	Upgrade - Vulindlela Sewer Pipeline	-76,873.61
	Rural Household Infrastructure Sanitation	1,852,292.59
	Veldenvlei Pump Station	8,219,834.13
	<b>TOTAL WASTE WATER MANAGEMENT</b>	<b>9,995,253.11</b>
Water	Ngwelezane Water Treatment Works	681,832.55
	Nseleni Pipe Replacement (Mwig)	822,834.87
	Mkhwanazi North Bulk Water Supply Phase 5	1,233,795.68
	Richards Bay Pipe Replacement	1,920,840.00
	Esikhaleni Waste Water Treatment Works	2,207,654.49
	Esikhaleni Water Treatment Works	2,330,500.00
	Richards Bay Pipe Replacement (Mwig)	26,570,603.02
	<b>TOTAL WATER</b>	<b>35,768,060.61</b>
<b>TOTAL CAPITAL EXPENDITURE - UPGRADE/RENEWAL PROGRAMME</b>		<b>101,755,685.32</b>



# APPENDIX N:

## CAPITAL PROGRAMME BY PROJECT CURRENT YEAR

FUNCTION	DETAILED PROJECT DESCRIPTION	AMOUNT
Budget and Treasury Office	5 Workstations For Income	87.70
	Furniture	29,990.56
	SCM - Roller Door For SCM	128,031.20
	SCM Refurbishments	84,932.30
	Laptops For Training	118,069.70
	<b>TOTAL BUDGET &amp; TREASURY</b>	<b>361,111.46</b>
Community & Social Services	Airconditioners For Park Offices In Alton Parks	1,157.90
	Renovations - Ict Section	2,826.50
	Esikhaleni Extension/Development Of Cemetary	3,032.00
	Renovation CFO Secretary Office	5,323.26
	Aircon For Office C253 (HR Admin)	7,561.41
	Airconditioner For Alton Clinic	9,470.17
	Construction Of Smme Retail Parks	11,172.00
	Extension Of Track Washer Room (Refuse)	13,723.50
	Western Services Depot - Refurbishment	21,714.00
	Airconditioners (Budget Office: D121)	22,442.99
	Improved Security Satelite Offices	23,420.00
	Electricity Connection - W & S Offices (A1227 Ngwelezane)	31,842.13
	Upgrade Laboratory	43,538.19
	Other Capital Projects (Community Services)	52,050.00
	Iniwe Hall	57,750.00
	Civic Centre Emp 1 & 2 Central Cooling Unit	63,213.80
	Re-Designing Office Space	117,290.00
	Civic Centre - Roofing And Water Proofing	148,400.00
	New Hall - Extension	171,376.05
	Replacement Of Central Plant Air Conditioner Civic centre R/Bay Unit B001	177,864.50
	Umsasandla Thusong Centre - Extension	211,593.00
	Enseleni Hall - Upgrade (Construct Fencing And Lift For Disabled)	283,860.00
	Esik Library - Extension	351,821.06
	Libraries And ArchivesCivic Centre	355,935.00
	Ngwelezane Hall - Extension	387,605.99
	Ngwelezane Hall - Extension	500,000.00
	Renovations And Improved Security Access Expenditure Section	546,964.00
	R/Bay Extension/Development Of Cemetary	632,595.50
	Construction Of Informal Trading Stalls	687,437.36
	Bhejane Hall - Guard House Hall Bookings And Councillor'S Offices And Refurbishment Of Ablution Facilities	1,021,009.15

Community & Social Services	Structural Inspection Of Municipal Buildings	1,156,844.96
	Construction Of Taxi Ranks (Buildings And Surrounding) - Lot 63 Richards Bay And A Rank)	1,223,125.00
	Halls	1,272,708.93
	New Hall - Extension	585,134.91
	Aquadene Library	1,489,094.73
	Standby Quarters At Services Centre Electricity	1,792,813.80
	Beach Equipment	226.00
	Sportsfield Equipment	1,592.96
	Upgrade Irrigation System At Mandlazi	3,850.00
	Playground Equipment	11,600.00
	Upgrading Rural Sportsfields	13,042.00
	Savings On Other Capital Projects (Community Services)	13,300.00
	Hand Mowers Chain Saws Brush Cutters Pole Pruner	29,479.00
	Esikhaleni Park (Pool Area)	124,594.73
	Tourism Development	143,500.00
	R/Bay Extension/Development Of Cemetary	154,931.43
	New Field Courts - Upgrade	326,274.40
	Mzingazi Sportsfield	396,196.50
	Veldenvlei Hall - Refurbishment	594,347.81
	Upgrading Rural Sportsfields	618,900.00
	Floodlights - Various Sportsfields	630,372.81
	Esikhaleni College Courts Upgrade	773,056.00
	Construction Of Combi Court At Mandlazi	1,234,316.37
	Sport Development National Lotteries	1,547,909.60
	Beautification (All Areas)	2,012,312.88
	Sports Projects	2,414,422.88
	Additions To Athletics - Lotto Funding	2,575,923.68
	Beach Erosion Project	9,129,925.27
	Ntuzi Hall - Upgrade (Construct Guard House Fencing And Lift Disabled)	2,881,266.77
	<b>TOTAL COMMUNITY &amp; SOCIAL SERVICES</b>	<b>39,115,052.88</b>
Corporate Services	Office Furniture	1,093.33
	3 X Laptop Docking Station And Screens	2,595.00
	Laptop And Docking Station	3,500.00
	Shredder For SCM	7,560.00
	2 X Laptops For Financial Services	8,850.00
	Shelving SCM	11,235.47
	Replace 3 X 132 Column Impact Printers	16,999.20
	Laptop For Manager SCM	27,000.00
	Nkosi Mqedi Monument	43,300.00
	Furniture	119,896.72
	5 Ton Forklift	237,991.00
	Double Cab 4X2	262,713.19
	Traffic Enforcement Vehicles	262,713.19
	3 X 4 Door Hatch Back Sedans	475,950.00

Corporate Services	Refuse Trucks	624,324.74
	New & Replacement Of It Related Equipment	2,419,311.23
	Mayoral Fleet (X3)	2,831,185.35
	Acquisition Of Call Centre And USSD	3,185,122.81
	Replacement Vehicles	7,441,336.45
	Aerial Platform Fire Services (Mig Roller)	9,099,693.39
	FIBRE LINK TO ESIKHALENI	10,459,000.00
	Replacement Of Yellow Plant	19,516,858.96
	<b>TOTAL CORPORATE SERVICES</b>	<b>57,058,230.03</b>
Electricity	132kv Breakers Replacement At Polaris Substation	5,766.28
	Process Control Signalling System	29,990.00
	Cable At Alton Recycling Centre	49,401.00
	Electrification Of Mzingazi Area (209 Stands)	51,389.00
	Upgrade Of Electricity Supply	136,800.00
	Electrification Of Ngwelezane Idt (Newtown)	70,380.00
	Dumisani Makhaye Village Electrification - Phase 6	159,490.83
	Floodlights - Various Sportsfields	496,188.17
	Electrification Of Mandlazini Area (564 Stands)	667,151.93
	Energy Losses Project	803,713.44
	Replace Xlpe Med Volt Cable With Paper Ins. Cable	1,403,937.00
	Network Master Plan	1,410,372.95
	A1275 Ngwelezane Electrification	3,032,679.69
	Cygnus MV Switchgear Replacement	9,641,881.39
	<b>TOTAL ELECTRICITY</b>	<b>17,959,141.68</b>
Health	Furniture For Clinic	25,460.00
	Air Pollution Equipment	961,666.61
	Occupational Health Clinic	3,000,764.86
	<b>TOTAL HEALTH</b>	<b>3,987,891.47</b>
Housing	Esikhaleni Refurbish Hostels	762,329.70
	Bhambatha Hostels Roof Refurbishment	3,552,274.00
	Acquisition Of Land	82,500,000.00
	<b>TOTAL HOUSING</b>	<b>86,814,603.70</b>
Other	Fencing - Airport	3,000.92
	Planning-Design Of Richards Bay Waterfront Bridge	278,800.00
	Extention To Richards Bay Airport	401,555.70
	Market Stalls-Nseleni	643,569.52
	<b>TOTAL OTHER</b>	<b>1,326,926.14</b>
Planning & Development	Office Furniture	15,729.00
	<b>TOTAL PLANNING AND DEVELOPMENT</b>	<b>15,729.00</b>

Public Safety	Mandlankala/ Maholoholo Streetlighting Installation	68,915.95
	Security Bicycle Project	340,001.50
	Esikhaleni Fire Station - Plan And Construct	629,329.08
	Richards Bay Fire Station - Plan And Construct Phase One	779,115.79
	Esikhaleni Fire Station - Plan And Construct	941,739.75
	John Ross/Empangeni Main Streetlighting Installation	1,276,297.19
	Esikhaleni Extension/Development Of Cemetary	2,217,329.20
	<b>TOTAL PUBLIC SAFETY</b>	<b>6,252,728.46</b>
Road Transport	Street Rehabilitation - Tanner Road	121,771.00
	Bus Shelters & Laybys - All Areas	194,960.01
	Upgrade Of Intersections	198,000.00
	Civic Services Infill Areas (J1 & H3 Area)	205,260.00
	Traffic Calming	216,500.00
	Roads Projects - Madlanzini Road (Tarring Main Road)	267,567.14
	Walkways And Bridges	582,935.70
	Roads-Urban Road Doubling Of North Central Art	662,548.45
	Urban Roads-Madlanzini Road (Tarring Main Road)	1,076,404.72
	Roads -rural Road -MIG	1,209,543.51
	Esikhaleni Intersection	3,034,003.08
	Roads Resealing	3,756,999.61
	<b>TOTAL ROAD TRANSPORT</b>	<b>11,526,493.22</b>
Waste Management	Skips	72,000.00
	Establishment Transfer Station Enseleni For Recycling	1,422,946.48
	<b>TOTAL WASTE MANAGEMENT</b>	<b>1,494,946.48</b>
Waste Water Management	Upgrade - Vulindlela Sewer Pipeline	-76,873.61
	Ablution Facilities At Naval Island	80,000.00
	Rural Household Infrastructure Sanitation	1,852,292.59
	Veldenvlei Pump Station	8,219,834.13
	Rural Sanitation (Counter Funding)	8,248,704.83
	Aquadene Bulk Services (Sanitation)	12,969,688.93
	Rural Sanitation	20,651,566.47
	<b>TOTAL WASTE WATER MANAGEMENT</b>	<b>51,945,213.33</b>
Water	Bulk Master Plan	93,783.81
	Ngwelezane Water Treatment Works - Wsog	681,832.55
	Nseleni Pipe Replacement (Mwig)	822,834.87
	Mkhwanazi North Bulk Water Supply Phase 5	1,233,795.68
	Richards Bay Pipe Replacement	1,920,840.00
	Esikhaleni Waste Water Treatment Works	2,207,654.49
	Esikhaleni Water Treatment Works	2,330,500.00
	Rural Households Infrastructure	2,647,707.4
	Reduction Of Non-Revenue	19,043,387.5
	Construction Of 20Ml Reservoir Empangeni (Hilltop)	59,261,165.62
	Aquadene Bulk Services (Water)	13,922,681.75
	Richards Bay Pipe Replacement (Mwig)	26,570,603.02
	Rural/Semi-Urban Areas	44,907,145.41
	<b>TOTAL WATER</b>	<b>115,643,932.16</b>
<b>TOTAL CAPITAL EXPENDITURE</b>		<b>393,502,000.00</b>



# APPENDIX O:

## CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

FUNCTION	DETAILED PROJECT DESCRIPTION	AMOUNT	WARD
Budget & Treasury	Furniture	29,990.56	All wards
	SCM - Roller Door For SCM	128,031.20	All wards
	SCM Refurbishments	84,932.30	All wards
	Laptops For Training	118,157.40	All wards
	<b>TOTAL BUDGET &amp; TREASURY</b>	<b>361,111.46</b>	
Community & Social Services	Airconditioners For Park Offices In Alton Parks	1,157.90	
	Renovations - ICT Section	2,826.50	
	Renovation CFO Secretary Office	5,323.26	
	Aircon For Office C253 (HR Admin)	7,561.41	
	Airconditioner For Alton Clinic	9,470.17	
	Construction Of Smme Retail Parks	11,172.00	
	Extension Of Track Washer Room (Refuse)	13,723.50	
	Western Services Depot - Refurbishment	21,714.00	
	Airconditioners	22,442.99	
	Improved Security Satellite Offices	23,420.00	
	Electricity Connection - W & S Offices (A1227 Ngwelezane)	31,842.13	
	Upgrade Laboratory	43,538.19	
	Other Capital Projects (Community Services)	52,050.00	
	Iniwe Hall	57,750.00	
	Civic Centre Emp 1 & 2 Central Cooling Unit	63,213.80	
	Re-Designing Office Space	117,290.00	
	Civic Centre - Roofing And Water Proofing	148,400.00	
	New Hall - Extension	171,376.05	
	Replacement Of Central Plant Air Conditioner Civic centre R/Bay Unit B001	177,864.50	
	Umsasandla Thusong Centre - Extension	211,593.00	
	Enseleni Hall - Upgrade (Construct Fencing And Lift For Disabled)	283,860.00	
	Esik Library - Extension	351,821.06	
	Libraries And Archives	355,935.00	
	Civic Centre	387,605.99	
	Ngwelezane Hall - Extension	500,000.00	
	Renovations And Improved Security Access Expenditure Section	546,964.00	
	R/Bay Extension/Development Of Cemetary	632,595.50	
	Esikhaleni Extension/Development Of Cemetary	2,220,361.20	
	Construction Of Informal Trading Stalls	687,437.36	
	Bhejane Hall - Guard House Hall Bookings And Councillor'S Offices And Refurbishment Of Ablution Facilities	1,021,009.15	

Community & Social Services	Structural Inspection Of Municipal Buildings	1,156,844.96	
	Construction Of Taxi Ranks (Buildings And Surrounding) - Lot 63 Richards Bay And A Rank)	1,223,125.00	
	Halls	1,272,708.93	
	New Hall - Extension	585,134.91	
	Aquadene Library	1,489,094.73	
	Standby Quarters At Services Centre Electricity	1,792,813.80	
	Beach Equipment	226.00	
	Sportsfield Equipment	1,592.96	
	Upgrade Irrigation System At Mandlazi	3,850.00	
	Playground Equipment	11,600.00	
	Upgrading Rural Sportsfields	13,042.00	
	Other Capital Projects (Community Services)	13,300.00	
	Hand Mowers Chain Saws Brush Cutters Pole Pruner	29,479.00	
	Esikhaleni Park (Pool Area)	124,594.73	
	Tourism Development	143,500.00	
	R/Bay Extension/Development Of Cemetary	154,931.43	
	New Field Courts - Upgrade	326,274.40	
	Mzingazi Sportsfield	396,196.50	
	Veldenvlei Hall - Refurbishment	594,347.81	
	Upgrading Rural Sportsfields	618,900.00	
	Floodlights - Various Sportsfields	630,372.81	
	Esikhaleni College Courts Upgrade	773,056.00	
	Construction Of Combi Court At Mandlazi	1,234,316.37	
	Sport Development National Lotteries	1,547,909.60	
	Beautification (All Areas)	2,012,312.88	
	Sports Projects	2,414,422.88	
	Additions To Athletics - Lotto Funding	2,575,923.68	
	Beach Erosion Project	9,129,925.27	
	Ntuzi Hall - Upgrade (Construct Guard House Fencing And Lift Disabled)	2,881,266.77	
	<b>TOTAL COMMUNITY &amp; SOCIAL SERVICES</b>	<b>41,332,382.08</b>	
Corporate Services	Office Furniture	1,093.33	
	3 X Laptop Docking Station And Screens	2,595.00	
	Laptop And Docking Station	3,500.00	
	Shredder For SCM	7,560.00	
	2 X Laptops For Financial Services	8,850.00	
	Shelving SCM	11,235.47	
	Replace 3 X 132 Column Impact Printers	16,999.20	
	Laptop For Manager SCM	27,000.00	
	Nkosi Mqedi Monument	43,300.00	
	Furniture	119,896.72	
	5 Ton Forklift	237,991.00	
	Double Cab 4X2	262,713.19	
	TRAFFIC ENFORCEMENT VEHICLES	262,713.19	
	3 X 4 Door Hatch Back Sedans	475,950.00	
	Refuse Trucks	624,324.74	
	New & Replacement Of It Related Equipment	2,419,311.23	
	Mayoral Fleet (X3)	2,831,185.35	
	Acquisition Of Call Centre And USSD	3,185,122.81	
	Replacement Vehicles	7,441,336.45	

	Aerial Platform Fire Services	9,099,693.39	
	Fibre Link To Esikhaleni	10,459,000.00	
	Replacement Of Yellow Plant	19,516,858.96	
	<b>TOTAL CORPORATE SERVICES</b>	<b>57,058,230.03</b>	
<b>Electricity</b>	132kv Breakers Replacement At Polaris Substation	5,766.28	
	Process Control Signalling System	29,990.00	
	Cable At Alton Recycling Centre	49,401.00	
	Electrification Of Mzingazi Area (209 Stands)	51,389.00	
	Upgrade Of Electricity Supply	136,800.00	
	Electrification Of Ngwelezane Idt (Newtown)	70,380.00	
	Dumisani Makhaye Village Electrification - Phase 6	159,490.83	
	Floodlights - Various Sportsfields	496,188.17	
	Electrification Of Mandlazini Area (564 Stands)	667,151.93	
	Energy Losses Project	803,713.44	
	Replace Xlpe Med Volt Cable With Paper Ins. Cable	1,403,937.00	
	Network Master Plan	1,410,372.95	
	A1275 Ngwelezane Electrification	3,032,679.69	
	Cygnus MV Switchgear Replacement	9,641,881.39	
	<b>TOTAL ELECTRICITY</b>	<b>17,959,141.68</b>	
<b>Health</b>	Furniture For Clinic	25,460.00	
	Air Pollution Equipment	961,666.61	
	Occupational Health Clinic	3,000,764.86	
	<b>TOTAL HEALTH</b>	<b>3,987,891.47</b>	
<b>Housing</b>	Esikhaleni Refurbish Hostels	762,329.70	
	Bhambatha Hostels Roof Refurbishment	3,552,274.00	
	Acquisition Of Land	82,500,000.00	
	<b>TOTAL HOUSING</b>	<b>86,814,603.70</b>	
<b>Other</b>	Fencing - Airport	3,000.92	
	Planning-Design Of Richards Bay Waterfront Bridge	278,800.00	
	Extention To Richards Bay Airport	401,555.70	
	Market Stalls-Nseleni	643,569.52	
	<b>TOTAL OTHER</b>	<b>1,326,926.14</b>	
<b>Planning &amp; Development</b>	Office Furniture	15,729.00	
	<b>TOTAL PLANNING AND DEVELOPMENT</b>	<b>15,729.00</b>	
<b>Public Safety</b>	Mandlankala/ Maholoholo Streetlighting Installation	68,915.95	
	Security Bicycle Project	340,001.50	
	Esikhaleni Fire Station - Plan And Construct	629,329.08	
	Richards Bay Fire Station - Plan And Construct Phase One	779,115.79	
	Esikhaleni Fire Station - Plan And Construct	941,739.75	
	John Ross/Empangeni Main Streetlighting Installation	1,276,297.19	
	<b>TOTAL PUBLIC SAFETY</b>	<b>4,035,399.26</b>	

Road Transport	Street Rehabilitation - Tanner Road	121,771.00	
	Bus Shelters & Laybys - All Areas	194,960.01	
	Upgrade Of Intersections	198,000.00	
	Civic Services Infill Areas (J1 & H3 Area)	205,260.00	
	Traffic Calming	216,500.00	
	Roads Projects - Madlanzini Road (Tarring Main Road)	267,567.14	
	Walkways And Bridges	582,935.70	
	Roads-Urban Road Doubling Of North Central Art	662,548.45	
	Urban Roads-Madlanzini Road (Tarring Main Road)	1,076,404.72	
	Roads -rural Road - MIG	1,209,543.51	
	Esikhaleni Intersection	3,034,003.08	
	Roads Resealing	3,756,999.61	
	TOTAL ROAD TRANSPORT	11,526,493.22	
Waste Management	Skips	72,000.00	
	Establishment Transfer Station Enseleni For Recycling	1,422,946.48	
	TOTAL WASTE MANAGEMENT	1,494,946.48	
Waste Water Management	Upgrade - Vulindlela Sewer Pipeline	-76,873.61	
	Ablution Facilities At Naval Island	80,000.00	
	Rural Household Infrastructure Sanitation	1,852,292.59	
	Veldenvlei Pump Station	8,219,834.13	
	Rural Sanitation (Counter Funding)	8,248,704.83	
	Aquadene Bulk Services (Sanitation)	12,969,688.93	
	Rural Sanitation	20,651,566.47	
	TOTAL WASTE WATER MANAGEMENT	51,945,213.33	
Water	Bulk Master Plan	93,783.81	
	Ngwelezane Water Treatment Works - Wsog	681,832.55	
	Nseleni Pipe Replacement (Mwig)	822,834.87	
	Mkhwanazi North Bulk Water Supply Phase 5	1,233,795.68	
	Richards Bay Pipe Replacement	1,920,840.00	
	Esikhaleni Waste Water Treatment Works	2,207,654.49	
	Esikhaleni Water Treatment Works	2,330,500.00	
	Rural Households Infrastructure	2,647,707.41	
	Reduction Of Non-Revenue	9,043,387.55	
	Construction Of 20MI Reservoir Empangeni (Hilltop)	9,261,165.62	
	Aquadene Bulk Services (Water)	13,922,681.75	
	Richards Bay Pipe Replacement (Mwig)	26,570,603.02	
	Rural/Semi-Urban Areas	44,907,145.41	
	TOTAL WATER	115,643,932.16	
TOTAL CAPITAL EXPENDITURE		393,502,000.00	



## APPENDIX P:

### SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS.

There was only one application for school

## APPENDIX Q:

SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION.

There were no backlogs for Water and Sanitation Services

## APPENDIX R:

## DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

Declaration of Loans and Grants made by the Municipality			
All organisations or Persons in receipt of Grants provided by the Municipality	Nature of Project	Conditions attached to funding	Value
Afrika Riza Raggea Festival	Grant- in - aid	None	30,000
Bursaries Employees Children	Grant- in - aid	None	676,225
Department of Human Settlement	Grant- in - aid	None	10,696,156
Disaster Management	Grant- in - aid	None	321,735
Diwali Committee	Grant- in - aid	None	100,000
Dolos Festival	Grant- in - aid	None	100,000
Economic Development and Job creation	Grant- in - aid	None	151,750
Lance Dance Festival	Grant- in - aid	None	700,000
Matriculants	Grant- in - aid	None	12,850
Mkhwanazi Traditional Authority Prayer Day	Grant- in - aid	None	100,000
Reed Dance	Grant- in - aid	None	8,000
Richards Bay Country Club	Grant- in - aid	None	271,239
SATMA Awards	Grant- in - aid	None	1,000,000
Second Annual Spring Music Tour	Grant- in - aid	None	80,500
Soccer Madness Tournament	Grant- in - aid	None	384,450
SPCA	Grant- in - aid	None	333,300
Thanda Roya Zulu Football Club	Grant- in - aid	None	1,500,000
uMhalthuze Music Festival	Grant- in - aid	None	100,000
University Registrations	Grant- in - aid	None	488,500
uThungulu Social Cohesion Summit	Grant- in - aid	None	350,000
Various grants in aid	Grant- in - aid	None	494,651
World Open Champions	Grant- in - aid	None	10,000
Youth Summit	Grant- in - aid	None	25,826
Zululand Trade Fair	Grant- in - aid	None	213,950
			<b>18,149,132</b>

## APPENDIX S:

### DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

All returns submitted on time as required in terms of MFMA Section 71.



The cover page features a dark green background. A horizontal band of orange and brown is positioned in the middle. The orange part of this band contains the text 'ANNUAL FINANCIAL STATEMENTS' in white, bold, uppercase letters. Below this band, there are several curved, overlapping lines in shades of green, creating a stylized, abstract design.

## **ANNUAL FINANCIAL STATEMENTS**

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# Report of the auditor-general to the KwaZulu-Natal Provincial Legislature and the council on the City of uMhlathuze

## Report on the financial statements

### Introduction

1. I audited the financial statements of the City of uMhlathuze set out on pages ... to ..., which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget with actual information for the year then ended as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor-general's responsibility

3. My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the City of uMhlathuze as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the MFMA and DoRA.

## Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## Restatement of corresponding figures

8. As disclosed in note 33 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during the year ended 30 June 2016 in the financial statements of the City of uMhlathuze at, and for the year ended, 30 June 2015.

## Events after reporting date

9. As disclosed in note 32 to the financial statements, City of uMhlathuze incorporated three wards from Ntambanana Municipality after the local government elections. This arose due to a redetermination of boundaries in terms of section 21 of the Local Government: Municipal Demarcation Act of South Africa, 1998 (Act No. 27 of 1998).

## Additional matter

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

## Unaudited disclosure notes

11. In terms of section 125(2)(e) of the MFMA the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and accordingly, I do not express an opinion thereon.

## Report on other legal and regulatory requirements

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected development priorities presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.



## **Predetermined objectives**

13. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the basic service delivery and infrastructure development presented in the annual performance report of the municipality for the year ended 30 June 2016.
14. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
15. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned development priority. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for managing programme performance information.
16. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
17. I did not identify any material findings on the usefulness and reliability of the reported performance information for the basic service delivery and the infrastructure development objective.

## **Additional matter**

18. I identified no material findings on the usefulness and reliability of the reported performance information for the selected development priority, however, I draw attention to the following matter:

### Achievement of planned targets

19. The annual performance report on pages x to x includes information on the achievement of the planned targets for the year.

## **Compliance with legislation**

20. I performed procedures to obtain evidence that the municipality complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

## **Internal control**

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

## Other report

22. I draw attention to the following engagement that could potentially have an impact on the municipality's financial, performance and compliance matters. My opinion is not modified in respect of this engagement that is in progress.

## Investigation

23. At the request of the municipality, the Department of Co-operative Governance and Traditional Affairs investigated allegations of possible maladministration and corruption. The investigation covered the period 1 July 2013 to 30 June 2014. The investigation was still in progress at the date of this report.

*Auditor-General*

Pietermaritzburg

30 November 2016



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Statement of the Municipal Manager's Responsibility

The City of uMhlathuze, situated at 5 Mark Strasse, Richards Bay, is a category B municipality, established in terms of section 12(1) of the Municipal Structures Act, 1998 (Act No. 117 of 1998) and published in terms of the Provincial Government Notice 346 on 19 September 2000. The Local Government operations of the Municipality are assigned by section 156 and 229 of the Constitution of the Republic of South Africa, 1996 (Act No 108 of 1996) and are defined specifically in terms of section 83 of the Municipal Structures Act.

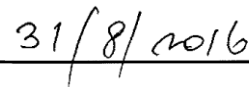
I am responsible for the preparation of these annual financial statements, which are set out on pages 6 to 81, in terms of section 126(1) of the Municipal Finance Management Act, 2003 (Act No 56 of 2003) and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors, loans made to Councillors, if any, and payments made to Councillors for loss of office, if any, as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act, 1998 (Act No 20 of 1998) and the Minister of Provincial and Local Government's determination in accordance with this Act.

As required by Section 45 of the Municipal Systems Act and Section 121(4)(a) and (b) of the Municipal Finance Management Act, the Annual Financial Statements were submitted to the Auditor-General South Africa (AGSA) on 31 August 2016.



Dr N.J. Sibeko  
City of uMhlathuze MANAGER



Date

## Statement Of Financial Position As At 30 June 2016

	Notes	2016	2015 Restated
		R	R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Non-current liabilities</b>		<b>689 374 498</b>	<b>769 810 963</b>
Long-term liabilities	2	348 099 897	471 210 199
Post employment medical aid benefits	30	341 274 601	298 600 764
<b>Current liabilities</b>	3	<b>733 024 984</b>	<b>582 411 477</b>
Consumer deposits	4	45 196 572	43 952 066
Trade and other payables	31	534 357 134	366 070 458
Provisions	5	12 998 173	11743 466
Unspent conditional grants and receipts	2	18 126 956	30 958 656
Current portion of long-term liabilities		122 346 149	129 686 830
<b>Net assets</b>		<b>4 549 985 212</b>	<b>4 425 719 529</b>
Housing Development Fund	1	129 588 396	53 916 402
Accumulated surplus		4 420 369 816	4 371 803 127
<b>Total net assets and liabilities</b>		<b>5 972 384 694</b>	<b>5 777 941 970</b>
<b>ASSETS</b>			
<b>Non-current assets</b>		<b>4 992 812 045</b>	<b>4 962 181 582</b>
Property, plant and equipment	9	4 857 716 007	4827 512 611
Investment property	11	125 125 248	125 458 587
Intangible assets	10	7 131 967	6 391 757
Heritage assets	8	2 766 995	2 723 695
Long-term Receivables	13	71 828	114 931
<b>Current assets</b>		<b>979 572 649</b>	<b>815 760 388</b>
Inventory	7	67 672 229	87 462 295
Trade receivables	12	302 655 742	251 349 755
Other receivables	14	94 027 207	45 084 615
VAT	6	52 771 853	10 182 081
Current portion of long-term receivables	13	30 310	44 104
Cash and cash equivalents	15	462 406 308	421 637 538
<b>Total assets</b>		<b>5 972 384 694</b>	<b>5 777 941 970</b>



## Statement Of Financial Performance For The Year Ended 30 June 2016

	Notes	2016	2015
		R	R
<b>REVENUE</b>			
<b>Non-exchange revenue</b>		<b>881 825 882</b>	<b>854 746 557</b>
Property rates	16	373 295 053	338 165 881
Fines		11 282 606	55 368 818
Government grants and subsidies	18	492 508 010	456 992 900
Public contributions	40	4 740 213	4 288 958
<b>Exchange revenue</b>		<b>1 842 125 560</b>	<b>1 883 234 248</b>
Service charges	17	1 710 851 769	1 673 839 935
Rental of facilities and equipment		9 945 445	11 647 576
Interest earned – external investments		32 411 106	27 558 341
Interest earned – outstanding debtors		53 973	56 476
Licences and permits		3 525 092	1 777 477
Income for agency services		6 249 887	6 725 733
Other income	19	63 534 903	140 258 190
Gains on sale of land		15 553 385	11 370 520
Gains on disposal of property, plant and equipment		-	10 000 000
<b>Total revenue</b>		<b>2 723 951 442</b>	<b>2 737 980 805</b>
<b>EXPENDITURE</b>			
Employee-related costs	20	592 773 040	542 326 967
Remuneration of Councillors	21	23 891 059	22 622 277
Bad debts	12	36 646 113	78 710 286
Collection costs		606 236	513 813
Depreciation	9,11	349 026 836	338 127 009
Amortisation	10	2 319 145	1 807 982
Post-employment benefit expenses	30	42 673 837	65 268 865
Repairs and maintenance	42	142 611 180	132 082 367
Finance costs	22	58 693 589	71 171 449
Bulk purchases	23	1 047 811 485	1 100 661 466
Contracted services	41	105 528 161	80 489 484
Grants and subsidies paid	24	18 149 132	4 357 606
General expenses	37	178 955 946	150 632 481
<b>Total expenditure</b>		<b>2 599 685 759</b>	<b>2 588 772 053</b>
<b>SURPLUS/(DEFICIT) FOR THE YEAR</b>		<b>124 265 683</b>	<b>149 208 752</b>

## Statement Of Changes In Net Assets For The Year Ended 30 June 2016

2016	Note	Housing Development Fund	Accumulated Surplus	Total
		R	R	R
<b>2015</b>				
<b>Balance at 30 June 2014</b>		49 933 544	4 208 619 227	4 258 552 771
Correction of accumulated depreciation	33	-	3 450 321	3 450 321
Inventory land not previously recognised	33	-	12 445 000	12 445 000
<b>Restated balance at 30 June 2014</b>		<b>49 933 544</b>	<b>4 224 514 539</b>	<b>4 274 448 084</b>
Surplus / (deficit) for the year		-	149 208 752	149 208 752
Transfer to Housing Development Fund		3 982 857	(3 982 857)	-
<b>Balance at 30 June 2015</b>		<b>53 916 402</b>	<b>4 369 740 434</b>	<b>4 423 656 836</b>
<b>2016</b>				
<b>Balance at 30 June 2015</b>		<b>53 916 402</b>	<b>4 369 740 434</b>	<b>4 423 656 836</b>
Correction of Inventory: Consumable Stores balance	33	-	2 062 693	2 062 693
<b>Restated balance at 30 June 2015</b>		<b>53 916 402</b>	<b>4 371 803 127</b>	<b>4 425 719 529</b>
Surplus/ (Deficit) for the year		-	124 265 683	124 265 683
Transfer to Housing Development Fund		75 671 994	(75 671 994)	-
<b>Balance at 30 June 2016</b>		<b>129 588 396</b>	<b>4 420 396 816</b>	<b>4 549 985 212</b>

## Cash Flow Statement

### For The Year Ended 30 June 2016

	Note	2013	2012
		R	R
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Cash receipts from ratepayers, government and other		2 519 274 443	2 660 225 440
Cash paid to suppliers and employees		(2 012 004 201)	(2 040 133 297)
Cash generated from operations	25	507 270 242	620 092 143
Interest received		32 411 106	27 558 341
Interest paid		(58 693 589)	(71 171 449)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>480 987 759</b>	<b>576 479 035</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(310 881 611)	(451 849 138)
Proceeds on disposal of property, plant and equipment		1 065 710	-
Proceeds on disposal of Investment Property		-	19 000 000
Decrease/ (Increase) in non-current receivables		47 897	41 207
<b>NET CASH UTILISED FROM INVESTING ACTIVITIES</b>		<b>(309 768 004)</b>	<b>(433 781 501)</b>
<b>CASH FLOWS UTILISED FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		(130 450 983)	(125 569 341)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>(130 450 983)</b>	<b>(125 569 341)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>40 768 770</b>	<b>17 128 191</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>421 637 538</b>	<b>404 509 347</b>
<b>Cash and cash equivalents at the end of the year</b>	15	<b>462 406 308</b>	<b>421 637 538</b>

## Statement Of Comparison Of Budget And Actual Amounts For The Year Ended 30 June 2016

	Note	Actual	Approved Budget	Final Budget	Variance:	Variance
		R'000	R'000	R'000	R'000	%
<b>STATEMENT OF FINANCIAL POSITION</b>	44.2.1					
Total current assets		979 572	817 368	869 585	(95 394)	(12.65%)
Total non-current assets		4 992 812	5 196 969	5 249 061	256 249	4.88%
<b>Total assets</b>		<b>5 972 384</b>	<b>6 014 064</b>	<b>6 118 646</b>	<b>160 854</b>	<b>2.39%</b>
Total current liabilities		733 025	595 404	596 412	(122 020)	(20.46%)
Total non-current liabilities		689 374	923 044	923 044	233 669	25.32%
<b>Total liabilities</b>		<b>1 422 399</b>	<b>1 518 449</b>	<b>1 519 456</b>	<b>111 649</b>	<b>6.39%</b>
Total net assets		4 549 985	4 495 616	4 599 190	49 205	1.07%
<b>Total net assets and liabilities</b>		<b>5 972 384</b>	<b>6 014 065</b>	<b>6 118 646</b>	<b>160 854</b>	<b>2.39%</b>
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	44.2.2					
Property rates		373 295	361 500	374 178	883	0.24%
Service charges		1 710 851	1 819 969	1 752 777	41 925	2.39%
Rental of facilities and equipment		9 945	10 874	11 524	1 578	13.70%
Interest earned – external investments		32 411	21 982	21 982	(10 429)	(47%)
Interest earned – outstanding debtors		54	58	90	36	40.03%
Fines		11 282	11 231	3 732	(7 551)	(202%)
Licences and permits		3 525	1 765	3 607	(82)	(2.27%)
Income for agency fees		6 249	7 000	7 000	(750)	(10.72%)
Government grants and subsidies		492 508	417 831	529 128	36 619	6.92%
Public contributions		4 740	-	-	(4 740)	(100%)
Other income		63 534	31 970	28 965	(34 569)	(119%)
Gains on Sale of Land		15 553	-	-	(15 553)	100%
Gains on sale of property, plant and equipment		-	-	-	-	-
<b>Total revenue</b>		<b>2 723 951</b>	<b>2 684 180</b>	<b>2 732 983</b>	<b>9 031</b>	<b>0.33%</b>
Employee-related costs		592 773	615 891	629 901	37 128	5.89%
Remuneration of Councillors		23 891	24 726	24 729	837	3.39%
Debt impairment		36 646	3 050	3 064	(33 582)	(1096%)
Collection costs		606	1 245	1 245	638	51%
Depreciation and amortisation		351 345	205 014	205 014	(146 331)	(71%)
Repairs and maintenance		142 611	132 063	139 830	(2 781)	(1.99%)
Finance costs		58 693	79 806	79 806	21 112	29.45%
Bulk purchases		1 047 811	1 134 058	1 063 124	15 312	1.44%
Contracted services		105 528	116 461	106 821	1 292	1.21%
Grants and subsidies paid		18 149	13 884	14 018	(4 131)	(29.47%)
Post employment benefits expenses		42 673	-	-	(42 673)	100%
General expenses		178 955	194 306	207 319	28	13.68%
<b>Total expenditure</b>		<b>2 599 685</b>	<b>2 519 360</b>	<b>2 474 871</b>	<b>(124 815)</b>	<b>(3.32%)</b>
<b>Surplus/(Deficit) for the year</b>		<b>124 265</b>	<b>164 820</b>	<b>258 112</b>	<b>133 846</b>	<b>35.32%</b>



## Statement Of Comparison Of Budget And Actual Amounts For The Year Ended 30 June 2016

	Note	Actual	Approved Budget	Final Budget	Variance: Final Budget And Actual Amounts	Variance
		R'000	R'000	R'000	R'000	%
<b>CASH FLOW STATEMENT</b>	44.2.3					
Net cash from (used) operating		480 835	385 511	468 266	(12 569)	(2.72%)
Net cash from (used) investing		(309 768)	(303 915)	(405 756)	(95 756)	23 -.66%
Net cash from (used) financing		(130 298)	45 381	47 881	178 179	372.45%
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>40 768</b>	<b>126 977</b>	<b>110 391</b>	<b>69 622</b>	<b>63.07%</b>
<b>CAPITAL EXPENDITURE</b>						
Budget and Treasury Office		148	15	421	273	64.87%
Community and Social Services		16 381	35 725	25 039	8 657	34%
Corporate Services		57 014	44 497	65 282	8 267	12.66%
Electricity		19 167	29 630	28 464	9 296	33%
Executive and Council		-	92	-	-	-
Health		3 734	4 866	4 456	720	37%
Housing		86 814	18 000	104 211	17 379	16.69%
Other		1 091	300	(1 091)		
Planning and Development		15	-	476	460	96%
Public Safety		4 907	21 345	18 359	13 451	73%
Road Transport		11 526	42 982	46 966	35 440	75%
Sport and Recreation		22 830	41 239	38 172	15 341	40.19%
Waste Management		1 494	1 777	1 530	35	2.30%
Waste Water Management		52 449	79 875	50 575	(1 873)	(3.71%)
Water		115 922	128 429	117 204	1 281	1.09%
<b>Total</b>		<b>393 502</b>	<b>448 778</b>	<b>501 160</b>	<b>107 658</b>	<b>21.48%</b>

## ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### 1. BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention.

These annual financial statements have been prepared in accordance with Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board (ASB) in accordance with Section 122(3) of the Municipal Finance Management Act, (Act No 56 of 2003) with the exception of certain accounting policies adopted in accordance with International Accounting Standards (IAS).

The principal accounting policies adopted in the preparation of these annual financial statements are set out below:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 9	Revenue from Exchange Transactions
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash generating assets
GRAP 23	Revenue from Non-exchange transactions
GRAP 24	Presentation of budget information
GRAP 25	Employee benefits
GRAP 26	Impairment of cash generating assets
GRAP 31	Intangible Assets
GRAP 100	Non-Current Assets Held for Sale and Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfer of Functions between entities under common Control
GRAP 106	Transfer of Functions between entities not under common Control

## ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Continued)

### 1. Basis Of Presentation (continued)

- GRAP 107 Mergers

### 2. Presentation Currency

These annual financial statements are presented in South African Rand. The figures are rounded off to the nearest rand.

### 3. Going Concern Assumption

These annual financial statements have been prepared on a going concern basis.

### 4. Offsetting

Assets, liabilities, revenue and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

### 5. Standards, Amendments To Standards And Interpretations Issued But Not Yet Effective

The following GRAP standards have been issued but are not yet effective and have not been adopted early by the Municipality:

- GRAP 18 Segment Reporting
- GRAP 20 Related Party Disclosures
- GRAP 32 Standard of GRAP on Service Concession Arrangements: Grantor
- GRAP 108 Statutory Receivables
- GRAP 109 Accounting by Principals and Agents

The Municipality has not adopted any GRAP standard that is not yet effective, but has based its accounting policies on such standards, except for GRAP 18.

The following GRAP standards have been issued and effective but are not applicable to the Municipality:

- GRAP 4 The Effects of Changes in Foreign Exchange Rates
- GRAP 6 Consolidated and Separate Financial Statements
- GRAP 7 Investment in Associate
- GRAP 8 Interest in Joint Ventures
- GRAP 10 Financial Reporting in Hyperinflationary Economies
- GRAP 27 Agriculture

### 5.1 Significant accounting judgements, estimates and assumptions

The preparation of the Municipality's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

## Judgements

In the process of applying the Municipality's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements

### Operating lease – Municipality as lessor

The Municipality has entered into commercial property leases on its investment property portfolio. The Municipality has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases

## Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as follows:

### Depreciation and impairment

The Municipality depreciates its assets over their estimated useful lives taking into account residual values, where appropriate. The appropriateness of its assets' estimated useful lives, residual values and their depreciation methods are re-assessed on an annual basis. The actual lives of these assets and their respective residual values may vary depending on a variety of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

Management used their judgement in applying the internal and external impairment indicators to its assets. No impairment indicators were identified and as such the recoverable amounts of the aforementioned assets was not calculated.

### Customer receivables

At year-end management makes an estimate of the amount of total outstanding customer debt that it expects to hand over to external debt collectors and the total subsequent receipts it expects to receive after year end. In addition, management estimates the amounts that it expects to recover from outstanding balances handed over based upon the age profile of debts handed over and based on prior experience and trends. A provision for impairment is raised based on these estimates. A detailed breakdown of the student fee receivable is provided in note 13.

## 6. Comparative Information

### 6.1 PRIOR YEAR COMPARATIVES

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

## 6.2 Current Year Comparatives:

Budgeted amounts have been included in the annual financial statements for the current financial year only.

## 7. Property, Plant And Equipment

### 7.1 Initial Recognition

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

Infrastructure assets in particular are those that are part of a system or network, specialized in nature and do not have alternative uses, immovable and maybe subject to constraints on disposal.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and if the cost or fair value of the item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality.

Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

### 7.2 Subsequent Measurement

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the entity and the cost or fair value of the subsequent expenditure can be reliably measured.

Subsequently all property plant and equipment, are measured at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it de-recognises the part of the asset being replaced and capitalises the new component.

### 7.3 Depreciation

Land is not depreciated as it is regarded as having an indefinite life. Depreciation on assets other than land is calculated on cost, using the straight-line method, to allocate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality on each asset.

Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use.

The annual depreciation rates are based on the following estimated average asset lives:

	Years		Years
Infrastructure		Other	
Roads and Paving	15-65	Buildings	30
Pedestrian Malls	30	Specialised vehicles	10
Electricity	20-30	Other vehicles	3-7
Water	15-65	Office equipment	3-5
Sewerage	15-50	Furniture and fittings	7
Housing	30	Watercraft	15
Community		Bins and containers	5-10
Buildings	30	Specialised plant and equipment	10-15
Recreational Facilities	20-30	Other items of plant and equipment	2-5
Security	5		



### 7.3 DEPRECIATION (Continued)

The assets residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted prospective or retrospectively if appropriate, at each reporting date. Any changes are recognised either as a change in accounting estimate or correction of error if appropriate in the Statement of Financial Performance.

### 7.4 Derecognition

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

## 8. Leases

### The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the Municipality. Property, plant and equipment subject to finance lease agreements are capitalised at the lower of the fair value or present value of minimum lease payments.

The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease expenses are recognised on a straight-line basis over the lease term.

### The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases.

Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Leased assets are classified as investment property measured at cost model and depreciation on leased assets has been calculated in accordance with GRAP 17 Property, plant and equipment.

## 9. Impairment Of Non-financial Assets

In assessing whether there is any indication that an asset may be impaired, the following have been considered:

### External sources of information

- Cessation or near cessation, of the demand or need for services provided by the asset;
- Significant long-term changes with an adverse effect on the entity that have taken place during the period or will take place in the near future, in the technological, legal or government policy environment in which the municipality operates.

### Internal sources of information

- Evidence of physical damage of an asset;
- Increased expenditure on repairs and maintenance on the asset.

### Impairment of Cash generating assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable amount. The recoverable amount is the higher of the assets Fair Value less cost to sell, or its value in use.

## Impairment of Non-cash generating assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or circumstances indicate that the serviceable amount may not be recoverable.

An impairment loss is recognised for the amount by which the carrying amount exceeds the recoverable service amount.

The recoverable service amount is the higher of the assets fair value less cost to sell, or its value in use.

The value in use is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life

## 10. Intangible Assets

An asset is identified as an intangible asset when it:

- Is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability, or
- Arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the Municipality or from other rights and obligations.

### 10.1 Initial Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licenses and development costs.

The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or the service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised, while development expenditure is only capitalised to the extent that

- The Municipality intends to complete the intangible asset for use or sale
- It is technically feasible to complete the intangible asset
- The Municipality has the resources to complete the project, and
- It is probable that the Municipality will receive future economic benefits or service potential

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Internally generated intangible assets are subject to strict recognition criteria before they are capitalised.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

### 10.2 Subsequent Measurement

Intangible assets are carried at its cost less any accumulated amortisation and any accumulated impairment losses.

### 10.3 Amortisation And Impairment

The cost of an intangible asset is amortised over the useful life of 3 years.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each reporting date and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

### 10.4 Derecognition

An intangible asset is derecognised when it is permanently withdrawn from use and no future economic benefit or service potential is derived from it. The gain or loss arising from the disposal of an intangible asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset. It is recognised in surplus or deficit when the intangible asset is derecognised.

## 11. Investment Properties

### 11.1 Initial Recognition

Investment property is recognised as an asset, only where:

- It is probable that the future economic benefits or service potential that are associated with the investment property will flow to the entity; and
- The cost or fair value of the investment property can be measured reliably.

Investment properties have been initially measured at cost (Transaction costs shall be included in this initial measurement). Transaction costs are costs which are directly attributable to the expenditure, for example professional fees for legal services, conveyancing fees, property transfer taxes and other transaction costs shall be included in this initial measurement.

If payment for investment property is deferred, its cost is the cash price equivalent.

The difference between this amount and the total payments is recognised as interest expense over the period of credit.

### 11.2 Subsequent Measurement

Subsequently investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated on cost, using the straight-line method over the useful life of the property. Vacant land held under investment properties is not depreciated.

### 11.3 Derecognition

An investment property is derecognised upon disposal, or when it is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal. Any gain or loss arising from the retirement or disposal of investment property is included in surplus or deficit in the period of the retirement or disposal

## 12. Inventories

Consumable stores, unsold water, and land held for sale are valued at the lower of cost and net realisable value.

In general, the basis of determining cost is the first-in, first-out method.

For the land component recognised in terms of GRAP 12 land is recognised at cost with the cost based on fair value at date of recognition.

Redundant and slow-moving inventories are identified and written down to current replacement cost.

## 13. Revenue Recognition

### 13.1 Revenue From Exchange Transactions

Revenue from exchange transactions refers to revenue that accrued to the Municipality directly in return for services rendered/goods sold, the value of which approximates the consideration received or receivable.

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue in the period of consumption. Where meters cannot be read during a particular month, they are provisionally billed with the necessary adjustments made in the month in which they were read. Revenue from the sale of electricity prepaid meter cards is deferred and recognised as revenue on the consumption basis, commencing on date of purchase.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied.

Service charges from sewerage are based on the water consumption on each developed property using the tariffs approved from Council and are levied monthly.

Interest and rentals are recognised on a time apportionment basis. Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant gazetted tariffs. This includes the issuing of licences and permits.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

## 13. Revenue Recognition (continued)

### 13.1 Revenue From Exchange Transactions (continued)

Revenue from the sale of goods is recognised when the risks and rewards of ownership of the goods is passed to the consumer.

Revenue from exchange transactions is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts allowed by the Municipality,

### 13.2 Revenue From Non-exchange Transactions

Revenue from non-exchange transactions refers to transactions where the Municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Fines constitute both spot fines and summonses. Revenue from spot fines and summonses is recognised when it is accrued. Spot fines are usually not given directly to the offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect to summon, the Public Prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, when such items of property, plant and equipment are brought into use furthermore Revenue from public contributions and donations is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment qualifies for recognition and first becomes available for use by the Municipality.

Where public contributions have been received but the Municipality has not met the related conditions, a deferred income (liability) is recognised.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible Councillors or officials is virtually certain

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognized.

The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

## 14. Provisions And Contingencies

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Contingent Liabilities and Assets are not recognized but disclosed.

The Municipality does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is disclosed where an inflow of economic benefits is probable. Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

## 15. Housing Development Fund

Housing selling schemes both complete and in progress at 1 April 1998, were also transferred to the Housing Development Fund. All proceeds from housing developments, which include rental income and sales of houses, is paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund are used to finance housing developments within the municipal area. Any transfers to and from the fund are recognized in the statement of changes in net assets.



## 16. Retirement Benefits

The Municipality provides post-retirement medical aid benefits to retired employees. The entitlement to these benefits is usually conditional on the employee remaining in employment up to retirement age.

An actuarial valuation involves making various assumptions. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions.

The Expected costs of these benefits are accrued over the period of employment. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized immediately in the statement of financial performance for the reporting period. The Defined benefit obligations are valued once in two years by independent qualified actuaries.

## 17. Borrowing Costs

Borrowing costs incurred are recognised as an expense in the Statement of Financial Performance in accordance with the revised GRAP 5.

## 18. Financial Instruments

### Classification

The Municipality has types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

### Financial Assets

The classification of financial assets depends on their nature and purpose, and is determined at the time of initial recognition.

### Subsequent Measurement

Financial assets are categorised according to their nature as financial assets at amortised costs and financial liabilities are categorized as financial liabilities carried at amortised cost in accordance with GRAP 104.

### Investments

Non-derivative investments with fixed or determinable payments and fixed maturity dates, which the municipality has the positive intent and ability to hold to maturity, are measured at amortised cost using the effective interest method less any impairment.

### Trade And Other Receivables

Trade and other receivables are categorised as financial assets: loans and receivables including statutory receivables and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year end. The fair value of Debtors is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. Impairments are determined by discounting expected future cash flows to their present value. Amounts that are receivable within 12 months from the reporting date are classified as current.

An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off.

Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

### Cash And Cash Equivalents

Cash includes cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The Municipality categorises cash and cash equivalents as Financial assets: loans and receivables. The closing balance on the bank account is representative of its fair value of the monies held.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred. Amounts owing in respect of bank overdrafts are categorised as Financial liabilities: other financial liabilities carried at amortised cost.

## **18. Financial Instruments (continued)**

### **Financial Liabilities**

#### **Trade and other payables from exchange transactions**

Financial liabilities consist of trade payables and borrowings. They are categorised as financial liabilities held at amortised cost, are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest. The fair value of Creditors is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date

#### **Borrowings and other financial liabilities**

Borrowings are recognised initially at fair value, net transaction costs incurred. Borrowings are subsequently stated at amortised cost. Long-term borrowings are non-derivative financial loans and the Municipality does not hold financial loans for trading purposes. Long-term borrowings are utilised. Other financial liabilities are carried at amortised cost.

The interbank rate or prime lending rate is not the risk-free interest rate, however it has been used as a benchmark for determining the market related rate of interest which is not significantly different to the current rates on long-term loans, hence the fair value of these loans equates their amortised cost.

## **19. Heritage Assets**

A heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance and is held and preserved indefinitely for the benefit of present and future generations.

### **19.1 Initial Measurement**

A heritage asset that qualifies for recognition as an asset shall be measured at its cost (Cash price equivalent at the recognition date). Where a heritage asset is acquired through a non-exchange transaction, its cost is deemed to be its fair value as at the date of acquisition.

### **19.2 Subsequent Measurement**

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial.

After recognition as an asset, heritage assets shall be carried at its cost less any accumulated impairment losses. The Municipality assesses at each reporting date whether there are any indicators of impairment of Heritage assets.

Where there is an indication of impairment the assets are recorded at their recoverable amount or their recoverable service amount.

### **19.3 Derecognition**

A Heritage asset is de-recognised when it is disposed or where there is no future economic benefits or service potential are expected from its use or disposal. The gain or loss arising from de-recognition, is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such difference is recognised in surplus or deficit when the heritage asset is derecognized.

## **20. Short Term Benefits**

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

## **21. Grants-in-aid**

The Municipality donates money, goods or services to individuals, organisations and other sectors of government from time to time. When making these donations, the Municipality does not:

- Receive any goods or services directly in return as would be expected in a purchase or sale transaction;
- Expect to be repaid in future; or
- Expect a financial return, as would be expected from an investment.

These transfers are recognized in the statement of financial performance as expenses in the period during which events giving rise to the transfer occurred.

## 22. Budget Information

The budget is prepared on an accrual basis. The budget amounts are scheduled as a separate additional financial statement called the statement of comparison of budget and actual amounts.

Explanatory comments are provided in the notes to the annual financial statements, first stating reasons for changes from approved to final budget and secondly reasons for overspending or underspending on line items.

## 23. Unauthorised Expenditure

Unauthorized expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003).

## 24. Irregular Expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 25. Fruitless And Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

## 26. TAX

### 26.1 Normal Tax Expense:

No provision has been made for taxation as the municipality is exempt from taxation in terms of section 10(1)(A) of the Income Tax Act.

### 26.2 VAT

The Municipality accounts for Value Added Tax on payments basis. This means that VAT is declared to the South African Revenue Services as input VAT or output VAT only when payments are made to suppliers or payments are received for goods or services. The net output VAT on debtors where money has not been received or creditors where payment has not been made is disclosed separately in the Statement of Financial Position in terms of GRAP 1.

## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

**NOTES TO THE ANNUAL FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 30 JUNE 2016

		2016	2015
		R	R
<b>1</b>	<b>HOUSING DEVELOPMENT FUND</b>		
	The Housing Development Fund is represented by the following assets:		
	Fixed assets	167 450 030	48 327 919
	Bank and cash	13 122 552	19 162 487
	Accumulated surplus	(50 984 186)	(10 642 882)
	<b>Total Housing Development Fund assets and liabilities</b>	<b>129 588 396</b>	<b>53 916 402</b>
<b>2</b>	<b>LONG-TERM LIABILITIES</b>		
	Annuity loans	470 446 046	600 897 029
	Less: Current portion transferred to current liabilities	(122 346 149)	(129 686 830)
	<b>Total external loans</b>	<b>348 099 897</b>	<b>471 210 199</b>
	Refer to Appendix A for more detail on long-term liabilities		



## NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016 (Continued)

### 2. Long- Term Liabilities (Continued)

	DBSA	DBSA	RMB	INCA	DBSA	DBSA	DBSA	DBSA	DBSA	Nedbank	Nedbank	Totals
	5 908 932 12,00%	2 447 669 14,50%	5 281 123 13,95%	86658 981 8,75%	89 201 762 11,70%	13 028 710 6,75%	42 412 637 11,57%	90 172 056 11,26%	55 334 176 9,59%	80 000 000 10,13%		470 446 046
2017	5 347 477	1 403 464	2 570 261	33 473 084	42 207 733	4 871 725	17 142 868	31 894 160	12 302 863	17 851 444		169 065 439
2018	5 347 477	1 403 464	2 570 261	33 473 084	42 207 733	4 871 725	17 142 868	31 894 160	12 302 863	16 891 016		168 033 011
2019			1 298 842	33 473 084	21 103 724	4 871 725	17 142 868	31 894 160	12 302 863	15 812 955		137 900 221
2020								15 947 080	12 302 863	14 854 074		43 104 017
2021									12 302 863	13 800 832		26 103 695
2022									12 302 863	12 787 832		25 090 695
2023										11 773 444		11 773 444
2024										10 757 668		10 757 668
<b>Disclosure about the Terms and Conditions of Financial Instruments – Borrowings</b>												
Future payments are based on the balances at 30 June 2016:												
(i) The interest rate applicable to the Standard Bank and Nedbank loan is variable and yearly instalments are therefore subject to Interest rate risk;												
(ii) Lease liability has been settled in full; and												
(iii) Yearly instalments payable bi-annually, consist of capital redemption and interest due and no other requirements are attached.												
(iv) No early settlement options are profitable to Council.												
(v) Conversion options are not applicable.												
(vi) There is no security given against the loans.												
(vii) Receipts or payments of the loans are in South African Rand.												

**Notes to the Annual Financial Statements  
for the Year Ended 30 June 2016 (continued)**

		2013	2012
		R	R
<b>3</b>	<b>CONSUMER DEPOSITS</b>		
	Electricity and water	42 589 460	39 924 454
	Other	2 607 112	4 027 612
	<b>Total deposits</b>	<b>45 196 572</b>	<b>43 952 066</b>
	Guarantees held in lieu of electricity and water deposits	<b>53 959 233</b>	<b>53 896 633</b>
<b>4</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Trade payables	389 471 528	233 426 133
	Other payables	85 180 724	54 878 244
	Retentions	35 414 073	35 821 189
	Amounts received in advance	24 280 809	41 944 892
	<b>Total creditors</b>	<b>534 357 134</b>	<b>366 070 458</b>
<b>5</b>	<b>UNSPENT CONDITIONAL GRANTS AND RECEIPTS</b>		
	<b>Conditional grants from other spheres of government</b>		
	Restructuring Grant	9 385	9 385
	Infrastructure Skills Development Grant	(976 268)	(1 071 692)
	Extended Public Works Programme Integrated Grant	5 773	-
	Municipal Infrastructure Grant	-	9 099 693
	Municipal Water Infrastructure Grants	9 344 019	4 122 859
	Rural Household Infrastructure Grant	-	2 352 375
	Provincial Local Government Grants	5 074 840	7 272 093
	Provincial Development Planning Grants	8 458	8 459
	Provincial Housing Grants	2 215 925	14 838 929
	Provincial Library Services Subsidies	346 706	380 762
	Provincial Community Development Workers Programme	19 038	19 038
	Department of Sport & Recreation	58 138	58 138
	Department of Water Affairs (DWAF) Water Services Programme	205 307	205 307
	Department of Water Affairs (DWAF) Refurbishment Grant	1 049 215	1 257 477
	Department of Agriculture and Environmental Affairs	194 643	94 644
	uThungulu District Municipality Capacity Building Grant	1 771	1 771
	uThungulu District Municipality Museum Operating Subsidy	11 849	11 849
	uThungulu District Municipality Coastal Management Programme	200 000	-
	Department of Minerals and Energy	349 157	(7 702 431)
		<b>18 126 956</b>	<b>30 958 656</b>
	See Note 18 for reconciliation of grants from other spheres of government.		

				2016	2015
				R	R
6	VAT				
	Output suspense			19 659 600	18 414 198
	Input suspense			(59 728 628)	(24 237 818)
	Output payable			(12 702 825)	(4 358 461)
	VAT (claimable)			(52 771 853)	(10 182 081)
	VAT is payable on the payment basis. Only once payment is made or received is VAT claimed or paid over to SARS. All VAT returns have been submitted by the due date throughout the year.				
7	INVENTORY			2016	2015
				R	R
					Restated
	Consumable stores – at cost			14 524 262	18 397 466
	Water – at cost			547 968	364 829
	Land			52 600 000	68 500 000
	Closing balance of inventories			67 672 229	87 462 295
8	HERITAGE ASSETS	BUILDING	OTHER	PAINTING AND STATUSES	TOTAL
	As at 30 June 2016				
	Opening Balance	2 242 681	235 101	245 931	2 723 695
	Additions	-	43 300	-	43 300
	Closing Balance	2 242 681	278 401	245 931	2 723 695
	As at 30 June 2015	2 242 681	235 101	245 931	2 723 695
	Closing Balance	2 242 681	235 101	245 931	2 723 695

**Notes To The Annual Financial Statements**  
For The Year Ended 30 June 2016

<b>9 PROPERTY, PLANT AND EQUIPMENT</b>							
<b>30 June 2016</b>							
	Reconciliation of Carrying Values	Land	Housing	Infrastructure	Community	Other	Total
		R	R	R	R	R	R
	<b>Carrying Values</b>	<b>533 426 950</b>	<b>82 401 808</b>	<b>3 635 249 452</b>	<b>233 100 159</b>	<b>343 334 242</b>	<b>4 827 512 611</b>
	<b>At 1 July 2015</b>						
	Cost	533 426 950	91 143 545	10 127 629 231	337 596 108	62 765 148	11 709 565 647
	Accumulated depreciation	-	(8 741 737)	(6 492 379 779)	(104 495 949)	(276 435 571)	(6 882 053 036)
	Acquisitions	-	86 814 604	3 072 658	33 973 806	62 765 148	186 626 216
	Capital Under Construction	-	-	197 737 516	4 561 009	1 223 125	203 521
	Transfer to inventory Land	(8 400 000)	-	-	-	-	(84 400 000)
	Depreciation	-	(1 766 382)	(278 067 597)	(14 219 820)	(54 235 140)	(348 288 939)
	Cost	-	(1 766 382)	(278 067 597)	(14 219 820)	(54 235 140)	(348 288 939)
	Revaluation	-	-	-	-	-	-
	Carrying Value of disposal	-	-	-	(11 811)	(3 243 720)	(3 255 531)
	Cost	-	-	-	(79 292)	(13 826 070)	(13 905 362)
	Revaluation	-	-	-	-	-	-
	Accumulated depreciation	-	-	-	67 481	10 582 350	10 649 831
	Carrying Values	525 026 950	167 450 030	3 557 992 029	257 403 343	349 843 655	4 857 716 007
	<b>At 30 June 2016</b>						
	Cost	525 026 950	177 958 149	10 328 439 405	376 051 631	669 932 016	12 077 408 151
	Accumulated Depreciation	-	(10 508 119)	(6 770 447 376)	(118 648 288)	(320 088 361)	(7 219 692 144)



9 PROPERTY , PLANT AND EQUIPMENT (continued)									
30 June 2016									
	Reconciliation of Carrying Values	Land	Housing	Infrastructure	Community	Other	Total		
		R	R	R	R	R	R	R	R
	Carrying Values	534 976 950	76 993 365	3 603 184 535	213 000 917	275 050 208	4 703 205 975		
	At 1 July 2014								
	Cost	534 976 950	84 151 732	9 820 426 765	304 713 610	508 080 448	11 252 349 505		
	Accumulated depreciation	-	(7 158 367)	(6 217 242 230)	(91 712 693)	(233 030 240)	(6 549 143 531)		
	Acquisitions	-	6 991 812	77 428 230	31 215 577	111 689 213	227 324 833		
	Capital Under Construction	-	-	229 754 236	2 366 921	507 429	232 628 586		
	Transfer within classes	-	-	20 000	(700 000)	680 000	-		
	Transfer to inventory Land	(1 550 000)					(1 550 000)		
	Transfer from Intangible Assets	-	-	-	-	125 855	125 855		
	Depreciation	-	(1583 370)	(278 067 597)	(12 872 710)	(43 823 295)	(337 393 766)		
	Cost	-	(1583 370)	(278 067 597)	(12 872 710)	(43 823 295)	(3 373 933 766)		
	Revaluation	-	-	-	-	-	-		
	Carrying Value of disposal	-	-	-	-	(315 170)	(315 170)		
	Cost	-	-	-	-	(1 393 282)	(1 393 282)		
	Revaluation	-	-	-	-	-	-		
	Accumulated depreciation	-	-	-	-	1 078 112	1 078 112		
	Correction of Cost Prior Period	-	-			80 150	80 150		
	Correction of Accumulated Depreciation	-		3 978 233	87 947	(660 147)	3 406 033		
	Transfer to Accumulated Depreciation	-		(1 507)	1 507				
	Carrying Values	533 426 950	82 401 808	3 635 249 452	233 100 159	343 334 242	4 827 512 611		
	At 30 June 2015								
	Cost	533 426 950	91 143 545	10 127 629 231	337 596 108	619 769 813	11 709 565 647		
	Accumulated Depreciation	-	(8 741 737)	(6 492 379 779)	(104 495 571)	(276 435 571)	(6 882 053 036)		

Town Stand #	Stand #	Deeds #	Life Span	Name	CARRYING VALUES AS AT 01 JULY 2015	COST	ACCUMULATED DEPRECIATION
Empangeni	45	T29874/1996	-	Zululand Built-It	1 000	1 000	-
Empangeni	56	T2643/1933	-	Manilall A	4 300 000	4 300 000	-
Empangeni	63	T2437/1970	-	Y S Cellular CC	2 000 000	2 000 000	-
Richards Bay	67	T40386/2001	-	Van Rooyen K M	1 350 000	1 350 000	-
Richards Bay	Gv15825	T12114/1976	25	Richards Bay Airport Company (PTY) LTD	21 286 158	25 315 591	(4 639 676)
Empangeni	246	G93/1960	-	Emanzini Leisure Resort	1 100 000	1 100 000	-
Richards Bay	617	T22887/2000	25	Meerensee Mall Scoonies Vier	4 748 755	6 663 646	(1 992 604)
Richards Bay	620	T15638/1978	-	Schoonies Vier (PTY) LTD	4 500 000	4 500 000	-
Ngwelezane	752	T64286/2000	-	Biyela A S	47 000	47 000	-
Nseleni	1 342	TG65440/2003	-	Gumede S M	40 000	40 000	-
Empangeni	2 015	T5367/1980	-	Mtshali D	680 000	680 000	-
Richards Bay	2 305	G128/1973	-	Bundu Nursery	250 000	250 000	-
Richards Bay	5 333	T14569/1979	-	Grindrod Terminals	9 000 000	9 000 000	-
Richards Bay	5 333	T6915/1993	-	Benians B S Construction	1 000 000	1 000 000	-
Richards Bay	5 333	T6915/1993	-	Benians B S Construction	700 000	700 000	-
Richards Bay	5 333	T6915/1993	-	Lease Group 5 Civils	860 000	860 000	-
Richards Bay	5 333	T6915/1993	-	Morganrite SA (PTY) LTD	180 000	180 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Gypsum Dam)	70 000	70 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Retention Dam)	250 000	250 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Conveyer Beld)	75 000	75 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Conveyer Beld)	500 000	500 000	-
Richards Bay	5 333	T4097/2006	-	Waste Site	1 500 000	1 500 000	-
Richards Bay	5 333	T19417/2001	-	Lease Grindrod Terminals	1 500 000	1 500 000	-
Richards Bay	5 333	T19417/2001	-	Green Africa Nursery	150 000	150 000	-
Richards Bay	5 333	T19417/2001	-	Ribeiro L M R	4 500 000	4 500 000	-
Richards Bay	6 364	T4199/1980	-	Checkers	240 000	240 000	-
Empangeni	8 436	T37193/1995	-	Neliswa Eating House	6 100 000	6 100 000	-
Richards Bay	9 893	T26939/1988	-	Naicker V	380 000	380 000	-
Richards Bay	10 033	T28872/1991	-	LOT 11161 (PTY) LTD	530 000	530 000	-
Richards Bay	11 376	T34219/1993	-	Pulp United (PTY) LTD	56 000 000	56 000 000	-
Richards Bay	11 377	T21885/1993	-	Mantis Properties CC	1 600 000	1 600 000	-
Richards Bay	2 627	T16212/1978	-	Ferreira M S	1 200 000	1 200 000	-
Richards Bay	GV16990	T789/1999	25	Imvubu Lodge/River Rock	8 553 915	9 448 505	(939 874)
					<b>135 191 828</b>	<b>133 030 742</b>	<b>(7 572 154)</b>

**11. INVESTMENT PROPERTY 30 June 2016**

Town Stand #	Stand #	Deeds #	Life Span	Name	CARRYING VALUES AS AT 01 JULY 2015	COST	ACCUMULATED DEPRECIATION
Empangeni	45	T29874/1996	-	Zululand Built-It	1 000	1 000	-
Empangeni	56	T2643/1933	-	Manilali A	4 300 000	4 300 000	-
Empangeni	63	T2437/1970	-	Y S Cellular CC	2 000 000	2 000 000	-
Richards Bay	67	T40386/2001	-	Van Rooyen K M	1 350 000	1 350 000	-
Richards Bay	Gv15825	T12114/1976	25	Richards Bay Airport Company (PTY) LTD	21 286 158	25 315 591	(4 639 676)
Empangeni	246	G93/1960	-	Emanzini Leisure Resort	1 100 000	1 100 000	-
Richards Bay	617	T22887/2000	25	Meerensee Mall Scoonies Vier	4 748 755	6 663 646	(1 992 604)
Richards Bay	620	T15638/1978	-	Schoonies Vier (PTY) LTD	4 500 000	4 500 000	-
Ngwelezane	752	T64286/2000	-	Biyela A S	47 000	47 000	-
Nseleni	1 342	TG65440/2003	-	Gumede S M	40 000	40 000	-
Empangeni	2 015	T5367/1980	-	Mtshali D	680 000	680 000	-
Richards Bay	2 305	G128/1973	-	Bundu Nursery	250 000	250 000	-
Richards Bay	5 333	T14569/1979	-	Grindrod Terminals	9 000 000	9 000 000	-
Richards Bay	5 333	T6915/1993	-	Benians B S Construction	1 000 000	1 000 000	-
Richards Bay	5 333	T6915/1993	-	Benians B S Construction	700 000	700 000	-
Richards Bay	5 333	T6915/1993	-	Lease Group 5 Civils	860 000	860 000	-
Richards Bay	5 333	T6915/1993	-	Morganrite SA (PTY) LTD	180 000	180 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Gypsum Dam)	70 000	70 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Retention Dam)	250 000	250 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Conveyer Beld)	75 000	75 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Conveyer Beld)	500 000	500 000	-
Richards Bay	5 333	T4097/2006	-	Waste Site	1 500 000	1 500 000	-
Richards Bay	5 333	T19417/2001	-	Lease Grindrod Terminals	1 500 000	1 500 000	-
Richards Bay	5 333	T19417/2001	-	Green Africa Nursery	150 000	150 000	-
Richards Bay	5 333	T19417/2001	-	Ribeiro L M R	4 500 000	4 500 000	-
Richards Bay	6 364	T4199/1980	-	Checkers	240 000	240 000	-
Empangeni	8 436	T37193/1995	-	Neliswa Eating House	6 100 000	6 100 000	-
Richards Bay	9 893	T26939/1988	-	Naicker V	380 000	380 000	-
Richards Bay	10 033	T28872/1991	-	LOT 11161 (PTY) LTD	530 000	530 000	-
Richards Bay	11 376	T34219/1993	-	Pulp United (PTY) LTD	56 000 000	56 000 000	-
Richards Bay	11 377	T21885/1993	-	Mantis Properties CC	1 600 000	1 600 000	-
Richards Bay	2 627	T16212/1978	-	Ferreira M S	1 200 000	1 200 000	-
Richards Bay	GV16990	T789/1999	25	Imvubu Lodge/River Rock	8 553 915	9 448 505	(939 874)
					<b>135 191 828</b>	<b>133 030 742</b>	<b>(7 572 154)</b>

DEPRECIATION	ADDITIONS	CARRYING VALUES AS AT 30 JUNE 2016	COST	ACCUMULATED DEPRECIATION
-	-	1 000	1 000	-
-	-	4 300 000	4 300 000	-
-	-	2 000 000	2 000 000	-
-	-	1 350 000	1 350 000	-
(614 563)	404 557	20 465 909	25 720 148	(5 254 239)
-	-	1 100 000	1 100 000	-
(77 926)	-	4 593 116	6 663 646	(2 070 530)
-	-	4 500 000	4 500 000	-
-	-	47 000	47 000	-
-	-	40 000	40 000	-
-	-	680 000	680 000	-
-	-	250 000	250 000	-
-	-	-	-	-
-	-	1 000 000	1 000 000	-
-	-	700 000	700 000	-
-	-	860 000	860 000	-
-	-	180 000	180 000	-
-	-	70 000	70 000	-
-	-	250 000	250 000	-
-	-	75 000	75 000	-
-	-	500 000	500 000	-
-	-	1 500 000	1 500 000	-
-	-	1 500 000	1 500 000	-
-	-	150 000	150 000	-
-	-	4 500 000	4 500 000	-
-	-	240 000	240 000	-
-	-	6 100 000	6 100 000	-
-	-	380 000	380 000	-
-	-	530 000	530 000	-
-	-	56 000 000	56 000 000	-
-	-	1 600 000	1 600 000	-
-	-	1 200 000	1 200 000	-
(45 408)	-	8 463 223	9 448 505	(985 282)
<b>(737 897)</b>	<b>404 557</b>	<b>125 125 248</b>	<b>133 435 299</b>	<b>(8 310 051)</b>



Town Stand #	Stand #	Deeds #	Life Span	Name	CARRYING VALUES AS AT 01 JULY 2014	COST	ACCUMULATED DEPRECIATION
Empangeni	45	T29874/1996	-	Zululand Built-It	1 000	1 000	-
Empangeni	56	T2643/1933	-	Manilall A	4 300 000	4 300 000	-
Empangeni	63	T2437/1970	-	Y S Cellular CC	2 000 000	2 000 000	-
Richards Bay	67	T40386/2001	-	Van Rooyen K M	1 350 000	1 350 000	-
Richards Bay	Gv15825	T12114/1976	25	Richards Bay Airport Company (PTY) LTD	21 286 158	25 315 591	(4 029 433)
Empangeni	246	G93/1960	-	Emanzini Leisure Resort	1 100 000	1 100 000	-
Richards Bay	617	T22887/2000	25	Meerensee Mall Scoonies Vier	4 748 755	6 663 646	(1 914 891)
Richards Bay	620	T15638/1978	-	Schoonies Vier (PTY) LTD	4 500 000	4 500 000	-
Ngwelezane	752	T64286/2000	-	Biyela A S	47 000	47 000	-
Nseleni	1 342	TG65440/2003	-	Gumede S M	40 000	40 000	-
Empangeni	2 015	T5367/1980	-	Mtshali D	680 000	680 000	-
Richards Bay	2 305	G128/1973	-	Bundu Nursery	250 000	250 000	-
Richards Bay	5 333	T14569/1979	-	Grindrod Terminals	9 000 000	9 000 000	-
Richards Bay	5 333	T6915/1993	-	Benians B S Construction	1 000 000	1 000 000	-
Richards Bay	5 333	T6915/1993	-	Benians B S Construction	700 000	700 000	-
Richards Bay	5 333	T6915/1993	-	Lease Group 5 Civils	860 000	860 000	-
Richards Bay	5 333	T6915/1993	-	Morganrite SA (PTY) LTD	180 000	180 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Gypsum Dam)	70 000	70 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Retention Dam)	250 000	250 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Conveyer Beld)	75 000	75 000	-
Richards Bay	5 333	T4097/2006	-	Lease Foskor (Conveyer Beld)	500 000	500 000	-
Richards Bay	5 333	T4097/2006	-	Waste Site	1 500 000	1 500 000	-
Richards Bay	5 333	T19417/2001	-	Lease Grindrod Terminals	1 500 000	1 500 000	-
Richards Bay	5 333	T19417/2001	-	Green Africa Nursery	150 000	150 000	-
Richards Bay	5 333	T19417/2001	-	Ribeiro L M R	4 500 000	4 500 000	-
Richards Bay	6 364	T4199/1980	-	Checkers	240 000	240 000	-
Empangeni	8 436	T37193/1995	-	Neliswa Eating House	6 100 000	6 100 000	-
Richards Bay	9 893	T26939/1988	-	Naicker V	380 000	380 000	-
Richards Bay	10 033	T28872/1991	-	LOT 11161 (PTY) LTD	530 000	530 000	-
Richards Bay	11 376	T34219/1993	-	Pulp United (PTY) LTD	56 000 000	56 000 000	-
Richards Bay	11 377	T21885/1993	-	Mantis Properties CC	1 600 000	1 600 000	-
Richards Bay	2 627	T16212/1978	-	Ferreira M S	1 200 000	1 200 000	-
Richards Bay	GV16990	T789/1999	25	Imvubu Lodge/River Rock	8 553 915	9 448 505	(894 591)
					<b>135 191 828</b>	<b>142 030 742</b>	<b>(6 838 915)</b>

DEPRECIATION	DISPOSAL	CARRYING VALUES AS AT 30 JUNE 2015	COST	ACCUMULATED DEPRECIATION
-	-	1 000	1 000	-
-	-	4 300 000	4 300 000	-
-	-	2 000 000	2 000 000	-
-	-	1 350 000	1 350 000	-
(610 243)	-	20 675 915	25 315 591	(4 639 676)
-	-	1 100 000	1 100 000	-
(77 713)	-	4 671 042	6 663 646	(1 992 604)
-	-	4 500 000	4 500 000	-
-	-	47 000	47 000	-
-	-	40 000	40 000	-
-	-	680 000	680 000	-
-	-	250 000	250 000	-
-	(9 000 000)	-	-	-
-	-	1 000 000	1 000 000	-
-	-	700 000	700 000	-
-	-	860 000	860 000	-
-	-	180 000	180 000	-
-	-	70 000	70 000	-
-	-	250 000	250 000	-
-	-	75 000	75 000	-
-	-	500 000	500 000	-
-	-	1 500 000	1 500 000	-
-	-	1 500 000	1 500 000	-
-	-	150 000	150 000	-
-	-	4 500 000	4 500 000	-
-	-	240 000	240 000	-
-	-	6 100 000	6 100 000	-
-	-	380 000	380 000	-
-	-	530 000	530 000	-
-	-	56 000 000	56 000 000	-
-	-	1 600 000	1 600 000	-
-	-	1 200 000	1 200 000	-
(45 284)	-	8 508 630	9 448 505	(939 875)
<b>(733 241)</b>	<b>(9 000 000)</b>	<b>125 458 587</b>	<b>133 030 742</b>	<b>(7 572 156)</b>

12. TRADE RECEIVABLES	2016	2016
	R	R
<b>From Exchange Transactions</b>	<b>330 241 395</b>	<b>249 743 878</b>
Electricity	118 015 214	82 023 194
June consumption billed in July	84 735 540	73 815 261
Water	89 136 172	60 303 029
June consumption billed in July	17 706 876	14 479 270
June water surcharge billed in July	271 605	274 562
Sewerage	11 546 404	11 514 336
Special Sewer Charges	568 823	280 636
June sewerage surcharge billed in July	66 748	168 756
Refuse	8 194 013	6 884 834
Rental	7 152 226	8 659 841
Sundry	13 714 399	20 452 303
<b>From Non-Exchange Transactions</b>	<b>53 332 515</b>	<b>82 154 926</b>
Rates	42 523 450	36 430 761
Traffic Fines	10 809 065	45 724 165
<b>Gross Balance</b>	<b>404 440 535</b>	<b>361 010 948</b>
Less: Provision for doubtful debts	(101 784 793)	(109 661 193)
<b>Net Balance</b>	<b>302 655 752</b>	<b>251 349 755</b>
<b>Rates - Ageing</b>		
Current (0 - 30) Days	27 405 290	22 149 852
31 - 60 days	2 356 729	3 072 925
61 - 90 days	1 470 359	1 219 739
91 - 120 days	1 080 044	1 342 991
121 - 360 days	6 218 140	4 084 441
361+ days	3 992 887	4 606 144
<b>Total</b>	<b>42 523 450</b>	<b>36 476 092</b>
<b>Electricity, Water, Sewerage and Refuse - Ageing</b>		
Current (0-30) days	196 053 905	98 101 431
31 - 60 days	9 123 371	6 572 497
61 - 90 days	7 507 535	4 155 250
91 - 120 days	5 788 678	3 128 514
121 - 360 days	66 641 488	17 442 230
361+ days	45 126 418	31 325 471
<b>Total</b>	<b>330 241 395</b>	<b>160 725 393</b>

	2016	2016
12. TRADE RECEIVABLES	R	R
<b>Rental</b>		
Current (0-30) days	710 631	328 321
31 - 60 days	349 293	142 549
61 - 90 days	327 324	126 315
91 - 120 days	318 201	122 981
121 - 360 days	2 061 747	1 063 960
361+ days	3 385 029	6 875 715
<b>Total</b>	<b>7 152 226</b>	<b>8 659 841</b>
<b>Sundry</b>		
Current (0-30) days	6 922 299	(2 188 463)
31 - 60 days	715 678	3 037 834
61 - 90 days	3 153 309	1 051 724
91 - 120 days	776 932	(264 560)
121 - 360 days	4 358 072	3 298 575
361+ days	(2 211 891)	15 459 462
<b>Total</b>	<b>13 714 399</b>	<b>20 394 572</b>
<b>Traffic Fines</b>		
Current (0 - 30) Days	980 900	957 375
31 - 60 days	812 575	4 045 800
61 - 90 days	639 450	4 498 075
91 - 120 days	791 200	3 494 100
121 - 360 days	7 584 940	32 728 815
361+ days	-	-
<b>Total</b>	<b>10 809 065</b>	<b>45 724 165</b>
Neither passed due or impaired	241 703 008	147 271 224
Past due and impaired	101 784 793	109 661 193
Past due and not impaired	46 360 017	104 078 531
	<b>389 847 819</b>	<b>361 010 948</b>
<b>Reconciliation of the bad debt provision</b>		
Balance at beginning of the year	109 661 193	86 222 720
Contributions to the provision	36 646 113	78 710 286
Bad debts written off against the provision	(44 522 513)	(55 271 813)
<b>Balance at end of the year</b>	<b>101 784 793</b>	<b>109 661 193</b>



## 12. TRADE RECEIVABLES (continued)

Summary of debtors by customer classification		Residential		Industry/ Commercial		Municipal/ State		Fines		Total	
		R		R		R		R		R	
<b>30 June 2016</b>											
Current (0 - 30) days		64 255 303		151 790 326		10 528 420		980 900		227 554 949	
31 - 60 days		3 501 419		8 647 165		309 944		812 575		8 603 305	
61 - 90 days		3 103 278		4 706 446		154 131		639 450		5 905 426	
91 - 120 days		3 095 177		1 931 355		87 694		791 200		149 105 753	
121+ days		56 330 096		81 609 439		3 581 278		7 584 940		404 440 535	
Sub-total		130 285 272		248 684 731		14 661 467		10 809 065		(101 784 793)	
Less: Provision for bad debt		(28 684 839)		(59 654 066)		(2 961 094)		(10 484 793)			
<b>Total debtors by customer classification</b>		<b>101 600 433</b>		<b>189 030 665</b>		<b>11 700 373</b>		<b>324 272</b>		<b>302 655 742</b>	
<b>30 June 2015</b>											
Current (0 - 30) days		92 141 116		120 162 314		7 990 733		957 375		221 251 538	
31 - 60 days		2 352 724		3 890 220		310 083		4 045 800		10 598 827	
61 - 90 days		2 047 943		1 731 693		550 290		4 498 075		8 828 001	
91 - 120 days		2 377 985		2 061 703		33 117		3 494 100		7 966 905	
121+ days		40 255 112		37 628 750		1 753 001		32 728 814		112 365 673	
Sub-total		139 174 880		165 474 680		10 637 224		45 724 164		61 010 948	
Less: Provision for bad debt		(34 424 750)		(29 203 267)		(2 221 983)		(43 811 193)		(109 661 193)	
<b>Total debtors by customer classification</b>		<b>104 750 130</b>		<b>136 271 413</b>		<b>8 415 241</b>		<b>1 912 971</b>		<b>251 349 755</b>	

<b>13. LONG-TERM RECEIVABLES</b>	<b>2016 R</b>	<b>2015 R</b>
Housing loans to staff	10 328	29 344
Study loans	100 811	129 691
<b>Sub-total</b>	<b>111 139</b>	<b>159 035</b>
Less: Current portion transferred to current assets	(39 310)	(44 104)
<b>Total Long-Term Receivables</b>	<b>71 828</b>	<b>114 931</b>
Housing loans, car loans and bursaries were made in terms of council policies on these schemes. No new housing or car loans have been granted since the effective implementation date of the MFMA. There are no significant terms or conditions that will affect the timeous recovery of these amounts.		
<b>14. OTHER RECEIVABLES</b>		RESTATED
Payments made in advance	11 661 199	19 702 316
Other receivables	82 366 007	25 382 299
<b>Total Other Receivables</b>	<b>94 027 207</b>	<b>45 084 615</b>
<b>15. CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement		
comprise the following statement of amounts:		
Bank balances and cash	172 406 308	271 637 538
Call investment deposits	290 000 000	150 000 000
<b>Total bank balances and cash</b>	<b>462 406 308</b>	<b>421 637 538</b>
<b>Bank Accounts</b>		
The municipality has the following bank accounts:		
<b>Current Account (Primary Account)</b>		
ABSA Bank - Richards Bay		
Current/ Cheque account number: 2150 000 028		
Cash book balance at beginning of the year	90 404 944	9 678 944
Cash book balance at end of the year	54 147 128	90 404 944
Bank statement balance at beginning of the year	80 869 212	8 289 830
Bank statement balance at end of the year	29 135 252	80 869 212

15. CASH AND CASH EQUIVALENTS (continued)	2016 R	2015 R
<b>Deposit Account</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 2150 000 095		
Cash book balance at beginning of the year	35 019 023	61 163 093
Cash book balance at end of the year	21 820 045	35 019 023
Bank statement balance at beginning of the year	25 349 891	57 250 974
Bank statement balance at end of the year	19 802 725	25 349 891
<b>Hostel Account</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 90 8291 6767		
Cash book balance at beginning of the year	(204 334)	4 128 984
Cash book balance at end of the year	(167 253)	(204 334)
Bank statement balance at beginning of the year	1 081	4 117 052
Bank statement balance at end of the year	1 139	1 081
<b>Hostel Account - Phase 2</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 92 3367 4990		
Cash book balance at beginning of the year	756 997	9 267 014
Cash book balance at end of the year	769 812	756 997
Bank statement balance at beginning of the year	754 859	9 241 947
Bank statement balance at end of the year	3 690	754 859
<b>Hostel Account - Phase 3</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 92 8322 1999		
Cash book balance at beginning of the year	19 333 756	21 228 774
Cash book balance at end of the year	19 939 903	19 333 756
Bank statement balance at beginning of the year	19 296 010	21 188 950
Bank statement balance at end of the year	17 908 001	19 296 010

15. CASH AND CASH EQUIVALENTS (continued)	2016 R	2015 R
<b>Housing Account - Brackenham</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 91 2361 5121		
Cash book balance at beginning of the year	5 296 820	5 085 612
Cash book balance at end of the year	5 383 066	5 296 820
Bank statement balance at beginning of the year	5 295 780	5 082 521
Bank statement balance at end of the year	297 572	5 295 780
<b>Housing Account - Ngwelezane</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 91 7137 3496		
Cash book balance at beginning of the year	2 249 160	2 114 062
Cash book balance at end of the year	2 370 120	2 249 160
Bank statement balance at beginning of the year	2 248 689	2 142 549
Bank statement balance at end of the year	2 359 068	2 248 689
<b>Housing Account - Pionierhof</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 90 9224 7889		
Cash book balance at beginning of the year	5 095 318	4 984 320
Cash book balance at end of the year	5 369 366	5 095 318
Bank statement balance at beginning of the year	5 094 504	4 981 639
Bank statement balance at end of the year	5 357 653	5 094 504
<b>Conditional Grants</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 91 7137 3917		
Cash book balance at beginning of the year	112 416 327	122 798 934
Cash book balance at end of the year	61 433 296	112 416 327
Bank statement balance at beginning of the year	111 983 732	122 289 548
Bank statement balance at end of the year	60 894 554	111 983 732



15. CASH AND CASH EQUIVALENTS (continued)	2016 R	2015 R
<b>Capital Replacement Reserve</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 92 7206 8005		
Cash book balance at beginning of the year	1 228 970	123 993 050
Cash book balance at end of the year	1 295 266	1 228 970
Bank statement balance at beginning of the year	1 228 337	123 931 932
Bank statement balance at end of the year	1 294 255	1 228 337
<b>Petty Cash</b>		
Balance at beginning of the year	36 848	33 550
Balance at end of the year	41 848	36 848
<b>Deposit Account</b>		
ABSA Bank - Richards Bay		
Current/ Deposit account number: 40 7928 6548		
Cash book balance at beginning of the year	3 710	3 010
Cash book balance at end of the year	3 710	3 710
Bank statement balance at beginning of the year	572 120	761 907
Bank statement balance at end of the year	123 483	572 120
<b>16. PROPERTY RATES</b>		
<b>Actual</b>		
Industrial	119 792 494	-
Residential	104 963 149	117 217 962
Commercial	90 391 524	196 537 890
State	24 418 295	22 751 307
Mining	643 425	-
Public Benefit Contribution	2 436	-
Public Service Infrastructure	49 4772	-
Vacant Land	9 284 776	-
Agricultural	1 528 349	-
<b>Total Property Rates</b>	<b>371 073 925</b>	<b>336 507 159</b>
Property rates - penalties imposed and collection charges	2 221 128	1 658 722
<b>Total Assessment Rates</b>	<b>373 295 053</b>	<b>338 165 881</b>

16. PROPERTY RATES (continued)	2016 R	2015 R
<b>Property Valuations</b>		
Industrial	7 028 947 000	-
Residential	18 256 471 360	18 636 438 510
Commercial	5 478 898 000	13 104 145 000
State	2 713 381 000	3 180 248 100
Mining	35 942 000	-
Public Benefit Organisation	111 510 000	-
Public Service Infrastructure	172 953 200	-
Vacant Land	2 461 746 000	-
Agricultural	613 025 000	-
Multiple use	618 475 000	
Municipal	-	1 965 159 450
<b>Total Property Valuations</b>	<b>37 491 348 560</b>	<b>36 885 991 060</b>
<p>The first valuation in terms of the Property Rates Act No 6 of 2004 came into effect on 01 July 2008. Valuations were performed on land and buildings together. Valuations on land and buildings are performed every four years. The last valuation came into effect on 1 July 2013. One supplementary valuation roll and objection roll in terms of the new Act were processed during the financial year. The following rate randage and ratio to residential tariff were applied:</p>		

16. PROPERTY RATES (continued)	Rate Randage	Ratio to Residential Tariff
<b>Predominant Use</b>		
Residential	0.0083	1:1
Business/Commercial	0.0174	1:2.1
Industrial	0.0181	1:2.2
Agricultural	0.0021	1:0,25
Public Service Purposes(State owned)	0.0095	1:1.1
Public Services Infrastructure	0.0021	1:0,25
Public Benefit Organisations	0.0021	1:0,25
Mining	0.019	1:2.3
Vacant Land	0.0145	1:1.5
Subject to the provisions contained in the Rates Policy and upon application, the following rebates were applied:		
Agricultural Properties - 5%		
Non Profit Organisation - 20%		
Pensioners - R150 000 Valuation Reduction on primary developed property		
In addition to the statutory R15 000 reduction in the valuation on residential properties, a further reduction of R105 000 of the valuation on all developed residential properties with >R400 000 was made.		
Rates are levied on a monthly basis but upon request can be levied annually. The final date for payment of rates that are levied on an annual basis is 30 September of each year, and 30 June for monthly ratepayers. Interest of prime plus 1% per annum is levied on outstanding rates.		
<b>17. SERVICE CHARGES</b>	<b>2016 R</b>	<b>2015 R</b>
Sale of electricity	1 332 585 702	1 336 446 889
Sale of water	222 982 447	195 101 688
Surcharge on water	4 621 028	5 358 730
Refuse removal	68 121 50	61 353 146
Sewerage and sanitation charges	82 541 090	75 579 482
<b>Total Service Charges</b>	<b>1 710 851 769</b>	<b>1 673 839 935</b>
An amount of R9 627 039.85 (2015: R8 920 252.44) received in respect of prepaid electricity sales has been deferred and transferred to amounts received in advance.		

<b>18. GOVERNMENT GRANTS AND SUBSIDIES</b>	<b>2016 R</b>	<b>2015 R</b>
Equitable Share	229 925 000	
Financial Management Grant	1 600 000	
Municipal Systems Improvement Grant	930 000	
Infrastructure Skills Development Grant	7 395 576	
Municipal Infrastructure Grant (MIG)	92 017 344	
Energy Efficiency and Demand Side Management Grant	-	
Expanded Public Works Programme Integrated Grant	2 955 227	
Municipal Water Infrastructure Grant	36 436 825	
Rural Household Infrastructure Grant	4 500 000	
Provincial Health Subsidies	-	
Provincial Local Government Grants	2 197 253	
Provincial Housing Grants	100 017 395	
Provincial Library Service Subsidies	8 198 991	
Provincial Museum Services Subsidies	166 000	
Department of Water Affairs - Refurbishment Grant	5 219 987	
Department of Water Affairs (DWA) Water Conservation and Demand Management Grant	-	177 061
Department of Agriculture and Environmental Affairs	-	112 735
Department of Sport and Recreation	-	3 778 697
Department of Minerals and Energy	948 412	8 608 539
Department of Economic Development and Tourism	-	400 000
	<b>492 508 010</b>	<b>456 922 900</b>
<b>18.1 Equitable Share</b>		
In terms of the Constitution, this allocation is to provide for an equitable sharing of National Revenue. It is primarily for the provision of basic services.		
<b>18.2 Financial Management Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	1 600 000	1 600 000
Conditions met - transferred to revenue	(1 600 000)	(1 600 000)
Conditions still to be met - transferred to liabilities	-	-
National Conditional Grants are allocated in terms of the Division of Revenue Act.		
The Financial Management Grant is used to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).		

<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2016 R</b>	<b>2015 R</b>
<b>18.3 Restructuring Grant</b>		
Balance unspent at beginning of year	9 385	9 385
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<b>9 385</b>	<b>9 385</b>
National Conditional Grant are allocated in terms of the Division of Revenue Act. The Restructuring Grant received in 2002, 2003, and 2004 from National Treasury has been earmarked for certain projects that will improve the local economy.		
<b>18.4 Municipal Systems Improvement Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	930 000	930 000
Conditions met - transferred to revenue	(930 000)	(930 000)
Conditions still to be met - transferred to liabilities	-	-
National Conditional Grant are allocated in terms of the Division of Revenue Act. The Municipal Systems Improvement Grant is used to assist municipalities to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation.		
<b>18.5 Infrastructure Skills Development Grant</b>		
Balance unspent at beginning of year	(1 071 692)	(989 452)
Current year receipts	7 500 000	8 000 000
Conditions met - transferred to revenue	(7 395 576)	(8 082 240)
Conditions still to be met - transferred to liabilities	<b>(967 268)</b>	<b>(1 071 692)</b>
National Conditional Grant are allocated in terms of the Division of Revenue Act. The Infrastructure and skills development grant is used to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure by increasing the pool of skills available, to facilitate lifelong learning and the transfer of knowledge and skills to municipalities and to sustain infrastructure related management capacity in local government.		
<b>18.6 Municipal Infrastructure Grant (MIG)</b>		
Balance unspent at beginning of year	9 099 693	50 314 601
Current year receipts	93 154 000	120 831 000
Conditions met - transferred to revenue	(92 017 344)	(147 831 295)
Conditions met - transferred to own revenue	(10 236 349)	(14 214 613)
Conditions still to be met - transferred to liabilities	-	<b>9 099 693</b>
National Conditional Grant are allocated in terms of the Division of Revenue Act. This grant is used to construct water and sewerage infrastructure as part of the upgrading of informal settlement areas. No funds have been withheld.		



<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2016 R</b>	<b>2015 R</b>
<b>18.7 Energy Efficiency and Demand Side Management Grant</b>		
Balance unspent at beginning of year	-	3 292 740
Current year receipts	-	-
Conditions met - transferred to revenue	-	(3 292 740)
Conditions still to be met - transferred to liabilities	-	-
National Conditional Grants are allocated in terms of the Division of Revenue Act. The grant is to be used to implement Energy Efficiency and Demand Side Management initiatives within municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.		
<b>18.8 Expanded Public Works Programme (EPWP) Integrated Grant</b>		
Balance unspent at beginning of year	-	-
Current year receipts	2 961 000	1 896 000
Conditions met - transferred to revenue	(2 955 227)	(1 896 000)
Conditions still to be met - transferred to liabilities	<b>5 773</b>	-
National Conditional Grants are allocated in terms of the Division of Revenue Act. The grant is to incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in compliance with EPWP Guidelines.		
<b>18.9 Municipal Water Infrastructure grant</b>		
Balance unspent at beginning of year	4 122 856	(12 233 687)
Current year receipts	50 882 000	18 850 000
Grant Withheld	(4 121 454)	-
Conditions met - transferred to revenue	(36 436 825)	-
Conditions met - transferred to revenue	(5 102 558)	(26 960 828)
Conditions still to be met - transferred to liabilities	<b>9 344 019</b>	<b>4 122 859</b>
National Conditional Grants are allocated in terms of the Division of Revenue Act. The grant is to facilitate the planning, acceleration and implementation of various projects that will ensure water supply to communities identified as not receiving a water supply service.		
<b>18.10 Rural Household Infrastructure Grant</b>		
Balance unspent at beginning of year	2 352 375	4 000 000
Current year receipts	4 500 000	4 500 000
Grant withheld	(2 352 375)	-
Conditions met - transferred to revenue	(4 500 000)	(6 147 625)
Conditions still to be met - transferred to liabilities	-	<b>2 352 375</b>
National Conditional Grants are allocated in terms of the Division of Revenue Act. The grant is to provide specific capital funding for the reduction of rural sanitation backlogs and to target existing households where bulk-dependent services are not viable.		

<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>		
<b>18.11 Provincial Health Subsidies</b>	<b>2016 R</b>	<b>2015 R</b>
Balance unspent at beginning of year	-	-
Current year receipts	-	5 964 600
Conditions met - transferred to revenue	-	(5 964 600)
Conditions still to be met - transferred to liabilities	-	-
The Municipality renders health services on behalf of the Provincial Government and is refunded approximately 35% of total expenditure incurred. This grant has been used exclusively to fund clinic services. Council was performing this function until 31 December 2015. The conditions of the grant have been met. There was no delay or withholding of the grant.		
<b>18.12 Provincial Local Government Grants</b>		
Balance unspent at beginning of year	7 272 093	3 179 230
Current year receipts	-	7 000 000
Conditions met - transferred to revenue	(2 197 253)	(2 907 137)
	<b>5 074 840</b>	<b>7 272 093</b>
Provincial Local Government grants are used to implement administrative and financial framework and to provide a municipal infrastructure framework. The grants are spent in accordance with a business plan approved by the Provincial Government.		
<b>18.13 Provincial Development Planning Grants</b>		
Balance unspent at beginning of year	8 459	8 459
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<b>8 459</b>	<b>8 459</b>
Provincial Development Planning grants are used to promote integrated planning and development in the Province. The grants are spent in accordance with a business plan approved by the Provincial Government.		

<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2016 R</b>	<b>2015 R</b>
<b>18.14 Provincial Housing Grants</b>		
Balance unspent at beginning of year	14 838 929	25 291 978
Current year receipts	86 329 120	3 566 560
Conditions met - transferred to revenue	(94 418 717)	(15 228 138)
Transferred to Brackenham Housing reserve	(5 598 678)	-
Interest received	1 065 271	1 208 529
Conditions still to be met - transferred to liabilities	<b>2 215 925</b>	<b>14 838 929</b>
Provincial Housing grants were allocated to assist in the refurbishment of various hostels. The grants are spent in accordance with a business plan approved by the Provincial Government. Funds were provided for the housing operating account. Funds were also provided for the Municipality to implement the Enhanced Extended Discount Benefit Scheme. No funds were withheld.		
<b>18.15 Provincial Library Services Subsidies</b>		
Balance unspent at beginning of year	380 762	421 375
Current year receipts	8 164 935	6 836 000
Conditions met - transferred to revenue	(8 198 991)	(6 876 613)
Conditions still to be met - transferred to liabilities	<b>346 706</b>	<b>380 762</b>
Provincial Library Grants were allocated to subsidise the purchase of equipment for various libraries as well as the construction of the Empangeni Library Study hall and to refurbish the community hall at Felixton into a library.		
Further funding was received for the installation of computer hardware and software for public internet access, the cost of the internet connectivity, furniture to house these computers and salaries for the employment of "cyber-cadets". The subsidies are spent in accordance with a business plan approved by the Provincial Government. No funds have been withheld.		
<b>18.16 Provincial Museum Services Subsidies</b>		
Balance unspent at beginning of year	-	-
Current year receipts	166 000	151 000
Conditions met - transferred to revenue	(166 000)	(151 000)
Conditions still to be met - transferred to liabilities	-	-
Department of the Premier allocates a subsidy to assist in the daily running of the Empangeni Museum. No funds have been withheld.		

<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2016 R</b>	<b>2015 R</b>
<b>18.17 Provincial Community Development Workers Programme</b>		
Balance unspent at beginning of year	19 038	19 038
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<b>19 038</b>	<b>19 038</b>
Department of Cooperative Governance and Traditional Affairs allocated funds to Council for the administration of the Community Development Workers Programme.		
No funds have been withheld.		
<b>18.18 DWAF - Water Services Program</b>		
Balance unspent at beginning of year	205 307	205 307
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<b>205 307</b>	<b>205 307</b>
Department of Water Affairs Sector Institutional Support and Capacity Building Initiatives in support of Water Services Authority and Water Service Provider functions. The grants are spent in accordance with the approved business proposal.		
<b>18.19 DWAF - Refurbishment Grant</b>		
Balance unspent at beginning of year	1 257 477	-
Current year receipts	7 000 000	14 000 000
Grant withheld	(1 257 477)	-
Conditions met - transferred to revenue	(5 219 987)	(11 177 652)
Conditions met - transferred to own revenue (Vat)	(730 798)	(1 564 871)
Conditions still to be met - transferred to liabilities	<b>1 049 215</b>	<b>1 257 477</b>
Department of Water Affairs Refurbishment Grant and Subsidy for Water Services Works. The grant is spent in accordance with an approved business plan.		

<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2016 R</b>	<b>2015 R</b>
<b>18.20 DWAF - Water Conservation and Demand Management</b>		
Balance unspent at beginning of year	-	177 061
Current year receipts	-	-
Conditions met - transferred to revenue	-	(177 061)
Conditions still to be met - transferred to liabilities	-	-
Department of Water Affairs Water Conservation and Demand Management grant in support of capacity building and institutional support. The grant is spent in accordance with an approved business plan.		
<b>18.21 uThungulu District Municipality Capacity Building Grant</b>		
Balance unspent at beginning of year	1 771	1 771
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<b>1 771</b>	<b>1 771</b>
uThungulu District Municipality allocates funds for capacity building grants. No funds have been withheld.		
<b>18.22 uThungulu District Municipality Museum Operating Subsidy</b>		
Balance unspent at beginning of year	11 849	11 849
Current year receipts	-	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	<b>11 849</b>	<b>11 849</b>
uThungulu District Municipality allocated a subsidy to assist in the daily running of the Empangeni Museum. No funds have been withheld.		



<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2016 R</b>	<b>2015 R</b>
<b>18.23 uThungulu District Municipality Coastal Management Programme</b>		
Balance unspent at beginning of year	-	-
Current year receipts	200 000	-
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities	200 000	-
<b>18.24 uThungulu District Municipality Capacity Building Grant</b>		
Balance unspent at beginning of year	94 643	207 379
Current year receipts	100 000	-
Conditions met - transferred to revenue	-	(112 736)
Conditions still to be met - transferred to liabilities	<b>194 643</b>	<b>94 643</b>
Department of Agriculture and Environmental affairs provided a subsidy for a recycling project. The grants are spent in accordance with an approved business plan		
<b>18.25 Department of Minerals and Energy</b>		
Balance unspent at beginning of year	(7 702 431)	(7 093 892)
Current year receipts	9 000 000	8 000 000
Conditions met - transferred to revenue	(948 412)	(8 608 539)
Conditions still to be met - transferred to liabilities	<b>349 157</b>	<b>(7 702 431)</b>
Department of Minerals and Energy provided a grant in support of Electrification Projects. The grants are spent in accordance with an approved business plan.		

<b>18. GOVERNMENT GRANTS AND SUBSIDIES (continued)</b>	<b>2016 R</b>	<b>2015 R</b>
<b>18.26 Department of Sport and Recreation</b>		
Balance unspent at beginning of year	58 138	540 902
Current year receipts	-	3 295 933
Conditions met - transferred to revenue	-	(3 778 697)
Conditions still to be met - transferred to liabilities	<b>58 138</b>	<b>58 138</b>
Funds were received from Department of Sport and Recreation for the upgrade of Vulindlela Sport Facility. The grants are spent in accordance with an approved business plan.		
<b>18.27 Department of Economic Development and Tourism</b>		
Balance unspent at beginning of year	-	400 000
Current year receipts	-	-
Conditions met - transferred to revenue	-	(400 000)
Conditions still to be met - transferred to liabilities	-	-
Funds were received from the department of Economic and Development Tourism for the upgrade of Alkandstrad Beach. The grants are spent in accordance with an approved business plan.		
<b>19. OTHER INCOME</b>		
Building Plans	1 445 915	1 542 032
Extension Fees and Engineering contributions	18 008 449	102 573 287
Connection Fees	7 617 922	12 318 475
Grant Vat Revenue	16 069 705	14 214 613
Insurance Claim refunds	4 299 455	139 339
Skills levy fees	1 123 481	915 335
Discount received	1 521 744	2 003 478
Sundries	13 448 232	6 551 631
<b>Total Other income</b>	<b>63 534 903</b>	<b>140 258 190</b>

<b>20. EMPLOYEE-RELATED COSTS</b>	<b>2016 R</b>	<b>2015 R Restated</b>
Employee-related cost - salaries and wages	355 159 541	329 184 367
Bonus	29 874 874	26 586 550
Employee-related cost - contributions to UIF, pensions and medical aid	99 980 471	92 188 557
Travel, motor car, accommodation, subsistence and other allowances	35 916 966	32 870 102
Housing benefits and allowances	3 991 548	3 564 828
Overtime payments	47 055 121	39 698 448
Leave payments	13 784 368	13 701 199
Cellphone allowances	2 562 899	2 133 421
Pensioners' medical aid contributions	4 447 251	3 631 935
Less: Employee costs capitalised to Property, plant and equipment		
<b>Total Employee-related costs</b>	<b>592 773 040</b>	<b>542 326 967</b>
There were no advances to employees. Loans to employees are set out in note 13.		
<b>Remuneration of the Municipal Manager</b>		
Annual Remuneration	1 220 251	1 072 325
Annual Bonus	101 688	77 872
Performance Bonus	173 347	66 149
Travel Allowance	240 000	287 896
Contributions to UIF, Medical and Pension funds	335 018	311 155
<b>Total</b>	<b>2 070 304</b>	<b>1 815 397</b>
There were no advances to employees. Loans to employees are set out in note 13.		
<b>Remuneration of Senior Managers and Managers</b>		
<b>30 June 2016</b>	<b>Dep M Manager: Infra &amp; Technical Services</b>	<b>Dep M Manager: Community Services</b>
Annual Remuneration	1 089 640	1 160 214
Annual Bonus	158 69	87 395
Performance Bonus	457 790	124 826
Travel Allowance	-	120 036
Non Pensionable Allowance	-	-
Contributions to UIF, Medical and Pension funds	2 653 802	236 940
<b>Total</b>	<b>3 959 926</b>	<b>1 729 411</b>
Annual Bonus forms part of the annual package of officials and is not an additional item. The salary of the Deputy Municipal Manager Infrastructure and Technical Services includes a settlement amount of R2 300 000 reached between Council and the Manager.		

20. EMPLOYEE-RELATED COSTS (continued)		2016 R	2015 R Restated
Remuneration of Senior Managers and Managers			
30 June 2015		Dep M Manager: Infra & Technical Services	Dep M Manager: Community Services
Annual Remuneration		770 906	825 792
Annual Bonus		-	68 816
Performance Bonus		-	61 834
Travel Allowance		-	125 975
Non Pensionable Allowance		192 633	192 633
Contributions to UIF, Medical and Pension funds		209 983	174 647
<b>Total</b>		<b>1 173 522</b>	<b>1 449 697</b>
30 June 2016	Dep M Manager: Financial Services - CFO	Dep M Manager: Corporate Services	Dep M Manager: City Development
Annual Remuneration	1 274 89	1 319 175	1 229 248
Annual Bonus	679 056	-	-
Performance Bonus	166 435	36 986	-
Travel Allowance	204 600	203 784	148 034
Non Pensionable Allowance	-	-	-
Contributions to UIF, Medical and Pension funds	28 102	90 880	95 900
<b>Total</b>	<b>1 753 089</b>	<b>1 650 825</b>	<b>1 473 182</b>
30 June 2015			
Annual Remuneration	890 475	536 754	282 341
Annual Bonus	79 391	-	-
Performance Bonus	123 669	-	-
Travel Allowance	204 600	60 000	-
Non Pensionable Allowance	192 633	77 053	-
Contributions to UIF, Medical and Pension funds	25 949	25 546	-
<b>Total</b>	<b>1 516 717</b>	<b>699 353</b>	<b>282 341</b>

20. EMPLOYEE-RELATED COSTS (continued)			
30 June 2016	Head: Financial Services Expenditure	Head: Financial Services Revenue	Head: Transport & Roads
Annual Remuneration	597 994	498 329	799 038
Annual Bonus	49 833	-	-
Housing Subsidy	8 400	-	-
Travel Allowance	253 514	211 090	278 781
Contributions to UIF, Medical and Pension Funds	265 247	116 898	262 483
<b>Total</b>	<b>1 174 988</b>	<b>826 317</b>	<b>1 340 302</b>
30 June 2015			
Annual Remuneration	558 873	423 626	746 764
Annual Bonus	46 573	50 783	-
Housing Subsidy	6 402	4 767	-
Travel Allowance	239 376	181 381	263 415
Contributions to UIF, Medical and Pension Funds	304 056	149 345	245 663
<b>Total</b>	<b>1 155 280</b>	<b>809 902</b>	<b>1 255 842</b>
30 June 2016	Head: Water & Sanitation	Head: Human Resource Services	Head: Administration Services
Annual Remuneration	249 164	597 99	-
Annual Bonus	-	449 833	-
Housing Subsidy	-	-	-
Travel Allowance	105 56	253 514	-
Contributions to UIF, Medical and Pension Funds	770 536	166 070	-
<b>Total</b>	<b>425 267</b>	<b>1 067 411</b>	-
30 June 2015			
Annual Remuneration	352 497	558 873	-
Annual Bonus	54 484	31 261	-
Travel Allowance	149 412	239 376	-
Contributions to UIF, Medical and Pension Funds	132 326	150 319	-
<b>Total</b>	<b>688 719</b>	<b>979 829</b>	-



20. EMPLOYEE-RELATED COSTS (continued)			
30 June 2016	Head: Health & Public Safety	Head: Electrical Services	Head: Public Safety
Annual Remuneration	597 994	597 994	73 839
Annual Bonus	49 833	49 890	-
Housing Subsidy	-	-	-
Travel Allowance	253 513	253 513	25 084
Contributions to UIF, Medical and Pension Funds	231 035	231 035	-
<b>Total</b>	<b>1 132 375</b>	<b>1 132 375</b>	<b>98 923</b>
30 June 2015			
Annual Remuneration	558 873	193 712	11 885
Annual Bonus	46 573	49 890	-
Entertainment	-	-	-
Travel Allowance	239 376	79 14	6 566
Contributions to UIF, Medical and Pension funds	238 568	284 342	-
<b>Total</b>	<b>1 083 390</b>	<b>407 086</b>	<b>18 451</b>
30 June 2016	Head: Parks, Sport & Recreation	Head: Engineering Services	Head: SCM
Annual Remuneration	597 994	597 994	83 436
Annual Bonus	49 833	49 833	-
Entertainment	-	-	-
Housing Subsidy	-	8 400	-
Travel Allowance	253 514	253 514	29 468
Contributions to UIF, Medical and Pension Funds	293 427	177 275	-
<b>Total</b>	<b>1 194 768</b>	<b>1 087 016</b>	<b>112 904</b>
30 June 2015			
Annual Remuneration	558 873	558 873	8 012
Annual Bonus	46 573	43 612	-
Entertainment	-	-	-
Housing subsidy	-	6 402	-
Travel Allowance	239 376	239 376	33 348
Contributions to UIF, Medical and Pension funds	260 582	182 131	-
<b>Total</b>	<b>1 105 404</b>	<b>1 030 394</b>	<b>41 360</b>

21. REMUNERATION OF COUNCILLORS	2016 R	2015 R
Executive Mayor	832 254	751 941
Deputy Mayor	693 278	658 256
Speaker	669 616	633 310
Chief Whip	625 714	594 370
Executive Committee Members	5 214 421	4 925 367
Chairpersons of Section 79 Committees Exco	612 404	581 493
Chairpersons of Section 79 Committees	1 044 955	989 742
Councillors	11 874 314	11 343 821
Councillors pension contribution	2 324 103	2 143 977
<b>Total Councillors Remuneration</b>	<b>23 891 059</b>	<b>22 622 277</b>
The Speaker, Chief Whip and Executive Committee members are full-time.		
Each is provided with an office and secretarial support at the cost of the Council.		
The Mayor, Deputy Mayor and Speaker are also provided with a vehicle for business use from the mayoral fleet at the cost of the Council.		
22. FINANCE COSTS		
Long-term liabilities	58 693 589	71 171 449
<b>Total interest on external borrowings</b>	<b>58 693 589</b>	<b>71 171 449</b>
23. BULK PURCHASES		
Electricity	921 140 887	961 941 673
Water	126 670 598	138 719 793
<b>Total Bulk Purchases</b>	<b>1 047 811 485</b>	<b>1 100 661 466</b>

24. GRANTS AND SUBSIDIES PAID	2016 R	2015 R
Richards Bay Country Club	271 239	345 986
SATMA Awards	1 000 000	-
S P C A	333 300	-
Second Annual Spring Music Tour	80 500	-
Bursaries Children	676 225	37 530
Sundries	236 750	684 853
Property Rates Relief	-	1 475 584
Dolos Festival	100 000	50 000
Reed Dance	8 000	-
Womens Summit	-	99 442
Senior Citizens	-	59 877
Mens Summit	-	70 450
Operation Sukuma Sakhe Programs	-	119 456
Community Outreach - Mandlazini	-	90 000
University Registrations	48 500	128 000
Thanda Royal Zulu	1 500 00	500 000
Last Dance Festival	700 000	650 000
Youth Summit	25 825	-
World Aids Day	-	46 429
Afrika Rize Raggea Festival	30 000	-
Disaster Management	321 735	-
Diwali Committee	100 000	-
Matriculants	12 850	-
World Open Champions	10 000	-
Zululand Trade Fair	213 950	-
Comedy Show	60 000	-
Umhlathuze Music Festival	100 000	-
UnguJehova Tour	15 000	-
Mncwabe BZ to Represent South Africa in Turkey	62 000	-
Umhlathuze Gospel Competition	82 500	-
Maskandi Competition	24 000	-
SA Got Talent ( Bus Hire)	10 000	-
Soccer Madness Tournament	384 450	-
Learners attending Eskom Expo	4 400	-
Mkhwanazi Traditional Authority Prayer Day	100 000	-
Economic Development and job creation	151 750	-
Department of human settlement	10 696 156	-
uThungulu Social Cohesion Summit	350 000	-
<b>Total Grants and Subsidies Paid</b>	<b>18 149 132</b>	<b>4 357 606</b>

25. CASH GENERATED FROM OPERATIONS	2016 R	2015 R
Surplus/(Deficit) for the year	124 265 683	149 208 752
Adjustment for:		
Depreciation	349 026 836	338 127 009
Amortisation	2 319 145	1 807 982
Post - employment benefit expenses	42 673 837	65 268 865
Loss on disposal of property, plant and equipment	2 295 589	315 170
Gain on disposal of investment property	-	(10 000 000)
Non-cash Grants (Donation)	(82 899 235)	-
Movement in bad debt provision	(7 876 400)	23 438 473
Investment income	(32 411 106)	(27 558 341)
Interest paid	58 693 589	71 171 449
<b>Operating surplus before working capital changes</b>	<b>456 087 938</b>	<b>611 779 359</b>
(Increase)/ Decrease in inventories	28 190 066	30 969 780
(Increase) in debtors	(43 429 587)	41 741 035
Decrease/ (Increase) in other debtors	(48 942 592)	(19 709 089)
(Decrease)/ Increase/ in unspent conditional grants and receipts	(12 831 701)	(61 272 761)
(Decrease)/ Increase in creditors	169 541 383	18 165 335
(Increase)/ Decrease in VAT claimable	(42 589 772)	(625 307)
(Decrease)/ Increase in consumer deposits	1 244 506	(956 209)
<b>Cash generated from operations</b>	<b>507 270 242</b>	<b>620 092 143</b>
26. ELECTRICITY AND WATER LOSSES		
Water losses for the City of uMhlatuze calculated at a variable cost per kilolitre amounts to:		
Total produced and purchased (KL)	35 232 475	43 003 829
Total sold (KL)	25 985 940	26 675 400
Water Loss (KL)	9 246 535	16 328 429
% Loss	26.24%	37.97%
Variable cost/ KL	R4.01	R2.25
<b>Total water losses</b>	<b>37 078 605</b>	<b>36 738 965</b>
Water losses are attributable to the following reasons:		
<b>Non-technical reasons</b>		
Included in these losses is measured water through bulk meters supplying the Traditional Areas of Mkhwanazi South, North and Dube. However, individual households are not metered yet hence not billed and therefore recorded as lost at this stage.		
<b>Technical reasons</b>		
Aged reticulation without sufficient replacement, refurbishment and maintenance.		
Incorrectly calibrated meters		

26. ELECTRICITY AND WATER LOSSES (Continued)	2016 R	2015 R
Electricity losses for the City of uMhlathuze calculated at a unit cost per kilowatt amounts to		
Total purchases (KW)	964 104 672	1 396 529 283
Total sold (KW)	913 021 018	1 302 300 100
Electricity Loss (KW)	51 083 654	94 229 183
% Loss	5.30%	6.747%
Unit cost/ KW	R 0.94	R 0.68
<b>Total electricity losses</b>	<b>48 018 634</b>	<b>64 274 183</b>
Electricity losses are attributable to the following reasons:		
<b>Non-technical reasons</b>		
Theft, unmetered supply and error in metering.		
<b>Technical reasons</b>		
Electrical resistivity in the network.		
Ageing of network without sufficient replacement, refurbishment and maintenance.		
Incorrect meter calibration and monitoring.		
<b>27. ADDITIONAL DISCLOSURES IN TERMS OF THE MFMA</b>		
<b>27.1 Contributions to SALGA</b>		
Council subscriptions	6 984 018	5 296 814
Amount paid	<b>6 984 018</b>	<b>5 296 814</b>
<b>27.2 Audit fees</b>		
Amount paid - current year	3 372 055	3 000 492
<b>27.3 PAYE, SDL and UIF</b>		
Opening balance	6 153 482	5 720 422
Current year payroll deductions	88 234 096	78 544 070
Amount paid - current year	(80 571 644)	(72 390 588)
Amount paid - previous year	(6 153 482)	(5 720 422)
Balance unpaid (included in creditors)	<b>7 662 452</b>	<b>6 153 482</b>
The balance represents June's contribution paid over in July.		
<b>27.4 Pension and Medical Aid Deductions</b>		
Opening balance	6 496 247	6 241 676
Current year payroll deductions	174 316 918	127 521 374
Amount paid - current year	(167 108 111)	(121 038 005)
Amount paid - prior year	(6 496 247)	(6 228 798)
Balance unpaid (included in creditors)	<b>7 208 807</b>	<b>6 496 247</b>
The balance represents continued members contributions received in advance.		



## 27.5 Councillor's Arrear Consumer Accounts

The following councillors had arrear accounts outstanding for more than 90 days as at 30 June.

2016	Total	<90 days	>90 days
	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
2015	Total	<90 days	>90 days
Mkhize GM	10 074	291	9 783
<b>Total</b>	<b>10 074</b>	<b>291</b>	<b>9 783</b>

During the year the following Councillors' had arrear accounts outstanding for more than 90 days. The following represents the highest amount outstanding:

2016	Highest Amount Outstanding	Ageing
	-	90+ days
2016	Highest Amount Outstanding	Ageing
Mkhize GM	9 783	90+ days

28. CAPITAL COMMITMENTS	2016	2015
	R	R
Commitments in respect of capital expenditure		
Approved and contracted for	181 565 435	184 737 880
Approved but not yet contracted for	297 831 665	313 569 520
<b>Total capital commitments</b>	<b>479 397 100</b>	<b>498 307 400</b>
This expenditure will be financed from		
Internal sources	133 650 000	232 812 700
External loans	200 000 000	142 572 300
Grants and subsidies	145 747 100	122 922 400
<b>Total capital commitments</b>	<b>479 397 100</b>	<b>498 307 400</b>
29. CONTINGENT ASSETS, LIABILITIES AND CONTRACTUAL OBLIGATIONS		
Guarantee by City of uMhlathuze in respect of Postal Services	200 000	200 000
There is arbitration where the Municipality alleges that it is due by Zotech the amount of R835 000 in terms of a service level agreement. The matter is still pending.		

30. POST-EMPLOYMENT MEDICAL BENEFITS (defined benefit obligation)	2016	2015
	R	R
The Municipality operates on 5 accredited medical aid schemes, namely: Bonitas, Hosmed, Keyhealth, LA Health and Samwumed. Pensioners continue on the option they belonged to on the day of their retirement. The independent valuers, ARCH Actuarial Consulting, carried out a statutory valuation for the year ended 30 June 2015 with projected liabilities for the year ending 2016 and 2017. There are no planned assets.		
The principal actuarial assumption used were as follows:		
Discount rate per annum	9.16%	9.16%
Health care cost inflation rate	8.24%	8.24%
Net effective discount rate	0.86%	0.86%
Average retirement age	55	55
Proportion continuing membership at retirement	80.00%	80.00%
Proportion of retiring members who are married	90.00%	90.00%
<b>The amounts recognised in the Statement of Financial Position were determined as follows:</b>		
Present Value of the obligation	341 274 601	298 600 764
Liability in the Balance Sheet	<b>341 274 601</b>	<b>298 600 764</b>
Movements in the defined benefit obligation is as follows:		
Balance at the beginning of the year	298 600 764	233 331 899
Current service cost	19 229 724	14 715 038
Interest cost	27 192 949	21 221 597
Benefits paid	(3 748 836)	(3 395 293)
Actuarial (gain)/ loss on obligation	-	32 727 523
	<b>341 274 601</b>	<b>298 600 764</b>
<b>The amounts recognised in the Statement of Financial Performance were as follows:</b>		
Current service cost	19 229 724	14 715 038
Interest cost	27 192 949	21 221 597
Actuarial (gain)/ loss on obligation	-	32 727 523
Benefits paid		
<b>Net amount recognised</b>	<b>(3 748 836)</b>	<b>(3 395 293)</b>
	<b>42 673 837</b>	<b>65 268 865</b>

31. PROVISIONS	Staff Bonuses	Total
<b>30 June 2016</b>		
Amount at beginning of year	11 743 466	11 743 466
Increase/ (Decrease) during the year	1 254 707	1 254 707
<b>Carrying amount at end of the year</b>	<b>12 998 173</b>	<b>12 998 173</b>
<b>30 June 2016</b>		
Amount at beginning of year	11 234 020	11 234 020
Increase/ (Decrease) during the year	509 446	509 446
<b>Carrying amount at end of the year</b>	<b>11 743 466</b>	<b>11 743 466</b>
<b>Staff bonuses</b>		
Bonuses accrue to staff on an annual basis based on their anniversary month. The provision is an estimate of the amount payable to staff for the following year on a pro-rata basis.		
<b>32. EVENTS AFTER THE REPORTING DATE</b>		
<p>The re-demarcation of municipal boundaries resulted in Ntambanana Municipality being dissolved and wards redistributed to three municipalities, which are uMhlathuze, Mfolozi and Mthonjaneni. On the 3<sup>rd</sup> of August 2016 elections took place and a new Council was formed which incorporated three wards from Ntambanana Municipality due to demarcation processes. This is a non-adjusting event as it is indicative of conditions that arose after the reporting date.</p>		
<p>As a result of the above event uMhlathuze Municipality will take over 17 employees, assets (movables and immovables) and liabilities. The financial estimate of the above cannot be made currently.</p>		

<b>33. PRIOR PERIOD ERROR</b>	<b>2015 R</b>
<b>Restatement of Inventory: Land</b>	
During the year, the municipality discovered land previously not accounted for in the accounting records.	
The impact of this adjustment is as follows:	
Balance as previously stated in the Financial Statement	56 055 000
Inventory land not previously recognised	12 445 000
<b>Restated Inventory: Land at 30 June 2015</b>	<b>68 500 000</b>
<b>Restatement of Inventory: Consumable Stores</b>	
During the year, the municipality discovered that the closing balance of Inventory: Consumable Stores was misstated for the year of 2015.	
Balance as previously stated in the Financial Statement	16 534 888
Correction of error	2 062 693
<b>Restated Inventory: Consumable Stores at 30 June 2015</b>	<b>18 597 581</b>
<b>Restatement of Accumulated Depreciation: Property, plant and Equipment</b>	
During the year, the municipality discovered that depreciation on some assets was overcharged due to non-revision of useful lives , and there was also some equipment incorrectly disclosed under intangible assets. The impact is:	
Balance as previously stated in the Financial Statement	6 885 459 186
Transfer from Intangible Asset	5 287
Correction of error	(3 411 320)
<b>Restated Accumulated Depreciation at 30 June 2015</b>	<b>6 882 053 153</b>
<b>Restatement of Accumulated Amortisation : Intangibles</b>	
During the year, the Municipality reviewed the useful lives of assets and discovered that amortisation on some assets was over charged. There was also some Equipment that was incorrectly disclosed under Intangible Assets.	
Balance as previously stated in the Financial Statements	7 587 471
Transfer to Property, Plant and Equipment	(5 287)
Correction of Error	(38 993)
<b>Restated Accumulated Amortisation at 30 June 2015</b>	<b>7 543 191</b>

<b>33. PRIOR PERIOD ERROR (Continued)</b>	<b>2015 R</b>
<b>Restatement of Property, plant and Equipment: Cost</b>	
During the year, the municipality discovered that some assets were disclosed under Other receivables.	
There was also some Equipment incorrectly disclosed under Intangible Assets.	
Balance as previously stated in the Financial Statement	11 702 805 364
Transfer from Intangible Asset	125 855
Transfer from Other Receivables	6 634 429
<b>Restated Property, Plant and Equipment at 30 June 2015</b>	<b>11 709 565 648</b>
<b>Restatement of Intangible: Cost</b>	
During the year, the municipality discovered that some Equipment was incorrectly disclosed under Intangible Assets. The impact of this adjustment is as follows:	
Balance as previously stated in the Financial statements	14 040 804
Transfer to Property, plant and equipment	(125 855)
<b>Restated Accumulated Amortisation at 30 June 2015</b>	<b>13 914 949</b>
<b>Restatement of Other Receivables</b>	
During the year, the municipality discovered that some Equipment was incorrectly disclosed under Intangible Asset.	
The impact of this error is as follows:Balance as previously stated in the Financial statements	51 719 044
Transfer from other Receivables	(6 634 429)
<b>Restated Other Receivables at 30 June 2015</b>	<b>45 084 615</b>
<b>Restatement of Accumulated Surplus</b>	
Balance as previously stated in the Financial statements	4 353 845 122
Inventory: Land not previously recognised	12 445 000
Correction of Inventory: Consumable Stores	2 062 693
Correction of Accumulated Depreciation/ Amortisation	3 450 312
<b>Restated Accumulated Surplus Balance at 30 June 2015</b>	<b>4 371 803 127</b>
<b>34. RECLASSIFICATION</b>	
<b>Reclassification of conditional grants expenditure</b>	
Due to piloting of mSCOA the municipality has reclassified this line which was previously disclosed in the statement of financial performance. There is no overall effect on surplus. The impact of this is as follows:	
Amount disclosed as conditional grants expenditure	18 527 519
Reclassified to General expenses	(8 754 678)
Reclassified to Employee related costs	(9 170 282)
Reclassified to Contracted services	(602 559)
<b>Net Amount</b>	<b>-</b>



35. DEVIATION FROM PROCUREMENT PROCESSES		2015 R
Section 36(2) of Supply Chain Management Policy has been complied with. The total amount of deviations recorded for 2015/2016 financial year is R 60 916 073.53 detailed as follows:		
Emergency		31 254 536
Sole Provider		4 049 062
Exceptional case where it is impossible to follow the official procurement processes		25 612 475
<b>Total</b>		<b>60 916 073</b>
36. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE		
The Municipality overspent its operating budget by R124 million as shown in the statement of budget comparison as result of non-cash items which are depreciation, debt impairment and post-employment benefit expenses. The big impact is on depreciation expenses which increased when historical zero valued assets were revalued using Directive 7 in 2009/2010 financial year and this expense is being phased-in over a period in the budget process taking into account the impact on tariffs.		
37. GENERAL EXPENSES	2016 R	2015 R
Included as part of general expenses are the following:		<b>RESTATED</b>
Uniforms	2 385 878	3 518 416
Bank charges	4 739 558	4 134 349
Community facilitation	-	5 825 275
External audit fees	3 372 055	3 000 492
Insurances	3 400 329	6 067 971
Indigent services rendered	2 212 267	2 159 584
Legal fees	4 226 275	6 543 903
Licences and permits	2 480 045	2 280 396
Membership fees	7 742 190	5 512 473
Postage	1 723 568	1 592 511
Materials and Supplies	55 281 283	22 637 252
Programming material	9 249 453	8 752 702
Publicity	1 026 069	1 228 812
Rent equipment and vehicles	11 164 455	16 112 366
Waste disposal	6 553 945	4 521 846
Skills levy	4 974 334	4 573 970
Telephone	1 518 866	1 558 266
Sport development	-	1 484 839
Stores and materials	2 830 400	1 534 293
Subsistence and travelling	4 776 783	5 762 176
Advertisement	3 813 795	1 613 124
Catering Municipal Activities	4 146 467	1 346 114
Small tools	2 750 429	636 458
Loss on disposal of Assets	2 295 589	315 170
Commission	5 240 323	-
Bursaries	524 807	1 046 285
Valuation Roll	1 041 202	1 234 376
Consultancy fees	12 731 175	14 917 888
Sundries	16 754 407	20 721 174
<b>Total</b>	<b>178 955 946</b>	<b>150 632 481</b>

38. OPERATING LEASES	2016 R	2015 R
<b>The municipality as a lessee</b>		
At the reporting date, the municipality has outstanding commitments under operating leases which fall due as follows:		
<b>Buildings</b>		
Within one year	2 400	2 400
In the second to fifth year inclusive	9 600	9 600
After five years	-	-
<b>Total</b>	<b>12 000</b>	<b>12 000</b>
<b>Buildings</b>		
Within one year	-	2 013 546
In the second to fifth year inclusive	-	-
After five years	-	-
<b>Total</b>	<b>-</b>	<b>2 013 546</b>
Operating lease payments represents rentals payable by the municipality for certain of its offices. The municipality also has current lease arrangements for three years for printers and PABX equipment. No contingent rent is payable.		
<b>39. RELATED PARTY TRANSACTIONS</b>		
There were no related party transactions that occurred during the year.		
<b>40. PUBLIC CONTRIBUTIONS</b>		
National Lotto	4 740 213	3 627 553
Other	-	661 405
<b>Total</b>	<b>4 740 213</b>	<b>4 288 958</b>
<b>41. CONTRACTED SERVICES</b>		<b>RESTATED</b>
Cleaning Services	1 945 962	2 323 547
Meter reading	6 326 536	10 580 295
Security	37 924 078	31 552 591
Sewerage and Waste Disposal	42 969 331	9 121 526
Outsourcing	16 362 255	26 911 525
<b>Total</b>	<b>105 528 1611</b>	<b>80 489 494</b>

<b>42. REPAIRS AND MAINTANANCE</b>		
Total Expenditure	369 225 266	409 535 817
Internal Charges	(226 614 086)	(277 453 450)
<b>43. FINANCIAL RISK MANAGEMENT</b>		
Exposure to interest rate, credit risk and liquidity risks arise in the normal course of the municipality's operations.		
<b>Financial Risk Management</b>		
The municipality has exposure to the following risks from its use of Financial Instruments:		
Liquidity Risk		
Interest Rate Risk		
Credit Risk		
This note presents information about the municipality's exposure to each of the above risks and the municipality's objectives, policies and processes for measuring and managing those risks. Further quantitative disclosures are included throughout these financial statements.		
The Accounting Officer has overall responsibility for the establishment and oversight of the municipality's risk management framework. The municipality's risk management policies are established to identify and analyse the risks faced by it, to set appropriate risk limits and controls and to monitor risks and adherence to limits.		
Categories of Financial Instruments	2016 R	2015 R
<b>Financial Assets</b>		
<b>Investments and Receivables</b>		
Call Investments	290 000 000	150 000 000
Cash and cash equivalents	172 406 308	271 637 538
Long-term receivables	71 828	114 931
Trade receivables	302 655 742	251 349 755
Other receivables	94 027 207	45 084 615
<b>Total</b>	<b>859 161 085</b>	<b>718 186 839</b>
<b>Liabilities and Creditors</b>		
Long-term liabilities	348 099 897	471 210 199
Trade and Other payables	524 776 744	357 815 970
<b>Total</b>	<b>872 876 641</b>	<b>829 026 169</b>

43. FINANCIAL RISK MANAGEMENT (continued)		2016	2015
Fair Values versus Carrying Amounts			
The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:			
Long-term receivables		71 828	114 931
Call Investments		290 000 000	150 000 000
Cash		172 406 308	271 637 538
Trade receivables from Exchange Transactions		302 655 742	251 349 755
Other receivables from Non - Exchange Transactions		94 027 207	45 084 615
Total		859 161 085	718 186 839
Long-term liabilities		348 099 897	471 210 199
Trade and other payables		524 776 744	357 815 970
Total		872 876 641	829 026 169
43.1 Liquidity Risk			
Liquidity risk is the risk that the municipality will not be able to meet its obligations as they fall due. The municipality's approach is to ensure that sufficient liquidity is available to meet its liabilities when due. The municipality uses cash flow forecasts to ensure that sufficient cash is available to meet expected operating expenses. This is guided by working capital and revenue enhancement policy			
The debtors collection rate of the municipality also ensures that sufficient cash is available to cover working capital. The average collection rate of the municipality is 100.83%. (2014: 99.17%).			
The following are contractual liabilities of which interest is included in borrowings:			
	Up to one year	1 - 5 years	> 5 years
Borrowings	169 065 439	375 140 944	591 828 189
Trade and Other payables	424 885 601	-	424 885 601
Total	593 951 040	375 140 944	1 016 713 790
43.2 Interest rate risk			
The municipality's policy is to manage interest rate risk so that fluctuations in variable costs do not have a material impact on surplus. All long-term debts are at fixed rates.			

## 43. FINANCIAL RISK MANAGEMENT (continued)

### 43.3 Credit Risk

Credit risk is the risk of financial loss to the municipality if customers or counterparties to financial instruments fail to meet their contractual obligations. Credit risk consists mainly of cash deposits, cash equivalents and trade debtors.

#### Investments

The municipality limits its exposure to credit risk by investing with only reputable financial institutions and within specific guidelines set in accordance with Council's approved investment policy.

#### Receivables

Receivables are amounts owing by consumers and are presented net of impairment loss. The municipality has a credit control policy in place and the exposure to credit risk is monitored continuously. The municipality establishes an allowance for doubtful debts that represents its estimate of anticipated losses in respect of receivables. Payments of accounts of consumer debtors who are unable to pay, are negotiated in line with the 'credit control policy and terms of payments are agreed upon with the consumer.

#### Cash and cash equivalents

The municipality limits its exposure to credit risk by investing with only reputable financial institutions and within specific guidelines set in accordance with Council's approved investment policy. The municipality does not consider there to be any significant exposure to credit risk.

The carrying amount of financial assets represents the maximum credit exposure.

The maximum exposure to credit risk as at 30 June was:

	2016 R	2015 R
Call investments	290 000 000	150 000 000
Cash and cash equivalents	172 406 308	271 637 538
Long-term receivables	71 828	114 931
Trade receivables	302 655 742	251 349 75
Other receivables	94 027 207	545 084 615
<b>Total</b>	<b>859 161 085</b>	<b>718 186 839</b>



## **44. BUDGET INFORMATION**

### **44.1 Explanation of variances between approved and final budget amounts**

The reason for the variance between approved and final budget is mainly due to the adjustments budget approved by Council on 24 February 2016.

### **44.2 Explanation of variances greater than 10%: final budget and actual amounts**

#### **44.2.1 Statement of financial position**

##### **Total Liabilities**

The decrease is due to the loan amount of R100 million budgeted to be taken in financial year was deferred to be taken in 2015/2016 year.

#### **44.2.2 Statement of financial performance**

##### **Revenue**

##### **Fines**

The variance is due to that the municipality uses past trends when budgeting for traffic fines revenue whilst actual revenue is recorded by applying IGRAP 1 requirements.

##### **Interest Earned - external investments**

The variance is the result of increased in funds surplus funds available for investments during the year.

##### **Interest Earned - outstanding debtors**

The variance is due to property rates penalties being included under interest on outstanding debtors on the budget whilst in the financial statements it reflected under property rates.

##### **Government Grant and Subsidies**

The variance is the result of under spending in grant funded projects and therefore revenue could not be recognised due to conditions not being met.

##### **Public Contributions**

Revenue from public contribution is not included in the budget unless there is a written confirmation as to when money will be received, hence the variance.

##### **Other Income**

The variance is the result of high revenue received on extension fees for engineering contribution and also own revenue on MIG Vat.

##### **Gains on Sale of Land**

The municipality does not budget for this revenue item as there are no certainty at budget stage as to whether land sales will materialize or not, hence a variance.

#### **44.2.2 Statement of financial position**

##### **EXPENDITURE**

##### **Debt impairment**

The variance is the result of an increase in the allowance for doubtful debts including traffic fines as well as increase in provision for rates and rural water during the year.

### **Depreciation and amortisation**

The variance is due to the review of assets useful lives, the depreciation of assets which were previously classified as work in progress. Another impact is that a portion of depreciation of assets funded through internal reserves is not included in the budget when determining the tariffs.

### **Collection costs**

The variance is due to an increased number of debtor accounts that have been handed over to the attorneys for collection.

### **Repairs and maintenance**

The variance is due to increase in unplanned maintenance which is caused by emergencies, therefore funds were transferred from contracted services.

### **Post-employment benefits**

This expenditure item represents the costs calculated by an actuarial valuator on the post-employment medical benefits as required in terms of GRAP 25. This cost is not included in the budget

### **General expenses**

The variance is due to savings on programming material, community facilitation, uniforms, advertising, insurance and valuation roll.

### **Grant and subsidies paid**

The variance is due to some grants not paid out as planned in the budgeting stage due to business plans not submitted by applicants

### **Contracted services**

The variance is due to reductions in the scope of some of the work performed under contracted services therefore funds were transferred to repairs and maintenance.

## **44.2.2 Statement of financial position**

### **Finance costs**

The budgeted finance charges include charges relating to the loan which was meant to be taken in 2015/2016 but was not drawn down by year-end.

## **44.2.3 Cash flow statement**

The variance is mainly due to an increase in revenue from engineering contributions and also loan not taken in the financial year as budgeted.

## **44.2.4 Capital Expenditure**

The underspending is mainly due to delays in awarding of tenders. The bulk of the projects have been carried forward to the 2016/2017 financial year

## APPENDIX A: SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2016

EXTERNAL LOANS	Interest Rate	Loan #	Redeemable	Balance at 30/06/2015		Received during the year		Redeemed/ Written off during the year		Balance at 30/06/2016	
				R	R	R	R	R	R	R	R
<b>LONG-TERM LOANS</b>											
Development Bank of SA	12.00%	10593	2018/03/31	2 594 553	-	-	-	766 042	-	1 828 511	
Development Bank of SA	12.00%	10594	2017/03/31	896 418	-	-	-	422 015	-	474 403	
Development Bank of SA	12.00%	10595	2017/03/31	3 365 637	-	-	-	1 584 474	-	1 781 163	
Development Bank of SA	12.00%	10596	2017/03/31	783 195	-	-	-	368 713	-	414 482	
Development Bank of SA	12.00%	10597	2018/03/31	3 436 855	-	-	-	989 186	-	2 447 669	
Development Bank of SA	12.00%	10600	2017/03/31	1 527 461	-	-	-	719 098	-	808 363	
Development Bank of SA	12.00%	10601	2017/03/31	907 889	-	-	-	427 416	-	480 473	
Development Bank of SA	12.00%	10602	2017/03/31	229 653	-	-	-	108 116	-	121 537	
				<b>13 741 661</b>	-	-	-	<b>5 385 060</b>	-	<b>8 356 601</b>	
INCA	13.95%	UMHL	2019/06/30	6 937 066	-	-	-	1 655 943	-	5 281 123	
Standard Bank	8.04%	357636	2015/03/31	6 630 015	-	-	-	6 630 015	-	-	
Nedbank	6.00%	05/7831	2016/06/30	11 792 377	-	-	-	11 792 377	-	-	
INCA	8.75%		2019/06/28	110 916 995	-	-	-	24 258 014	-	86 658 981	
Development Bank of SA	11.70%	103170	2018/12/31	118 350 485	-	-	-	29 148 723	-	89 201 762	
Development Bank of SA	6.75%	103494	2019/06/30	16 824 470	-	-	-	3 795 760	-	13 028 710	
Development Bank of SA	11.57%	103494	2019/06/30	53 647 610	-	-	-	11 234 973	-	42 412 637	
Nedbank	11.26%	05/7831/2	2019/12/31	110 160 276	-	-	-	19 988 220	-	90 172 056	
Nedbank	9.59%	7831003878/3	2022/06/17	61 896 074	-	-	-	6 561 898	-	55 334 176	
Nedbank	10.13%	7831003878/4	2024/06/28	90 000 000	-	-	-	10 000 000	-	80 000 000	
<b>TOTAL EXTERNAL LOANS</b>				<b>600 897 029</b>	-	-	-	<b>130 450 983</b>	-	<b>470 446 046</b>	

## APPENDIX B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2016

	Cost/ Revaluation					
	Opening Balance	Transfers	Additions	Under construction	Disposals	Closing Balance
<b>Land</b>	533 426 950	(8 400 000)	-	-	-	525 026 950
	<b>533 426 950</b>	<b>(8 400 000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>525 026 950</b>
<b>Infrastructure</b>						
Electricity	662 368 727	-	1 345 213	17 922 352		681 506 292
Roads	3 318 975 882	-	-	11 805 293		3 330 781 176
Sewerage	1 529 338 732	-	1 727 445	52 217 094		1 583 283 271
Water	4 569 014 602	-	-	115 922 777		4 684 937 379
Security measures	19 596 122	-	-	-		19 596 122
Pedestrian Malls	25 411 905	-	-	-		25 411 905
Airport- taxiways	2 923 262	-	-	-		2 923 262
	<b>10 127 629 232</b>	<b>-</b>	<b>3 072 658</b>	<b>197 737 516</b>	<b>—</b>	<b>10 328 439 406</b>
<b>Community Assets</b>						
Beach development	35 386 635		-	-		35 386 635
Cemeteries	18 129 458		2 102 596	-		20 232 054
Clinics	460 222		3 560 904	-		4 021 125
Community centres	20 098 229		6 124 957	-		26 223 186
Fire stations	9 227 384		-	3 879 836		13 107 220
Land Main Investments	54 541 111		-	-		54 541 111
Libraries	16 218 465		2 196 851	-		18 415 315
Museum	-		-	-		-
Parks & Gardens	13 258 012		354 002	50 800		13 662 813
Public Conveniences	8 057 133		-	-		8 057 133
Recreation facilities	57 787 254		9 603 155	-	(79 292)	67 311 117
Stadiums	104 432 207		10 031 342	630 373		115 093 922
	<b>337 596 109</b>	<b>—</b>	<b>33 973 806</b>	<b>4 561 009</b>	<b>(79 292)</b>	<b>376 051 632</b>

Accumulated Depreciation					
Opening Balance	Additions	Transfers	Disposals	Closing Balance	Carrying Value
-	-	-	-	-	525 026 950
-	-	-	-	-	<b>525 026 950</b>
245 417 178	27 971 162			273 388 341	408 117 951
2 118 954 756	86 565 329			2 205 520 085	1 125 261 090
829 267 028	44 833 349			874 100 378	709 182 894
3 270 184 189	114 928 025			3 385 112 215	1 299 825 164
13 257 907	2 408 945			15 666 852	3 929 270
15 018 135	1 257 063			16 275 198	9 136 707
280 699	103 723			384 422	2 538 839
<b>6 492 379 894</b>	<b>278 067 597</b>	—	—	<b>6 770 447 490</b>	<b>3 557 991 915</b>
13 974 963	1 197 384			15 172 348	20 214 288
4 554 593	746 856			5 301 449	14 930 606
140 305	77 342			217 647	3 803 478
8 430 873	1 190 445			9 621 318	16 601 868
1 096 307	247 709			1 344 016	11 763 204
10 947 850	1 371 185			12 319 034	42 222 077
6 649 938	727 122				11 038 255
-	-			7 377 060	( )
7 255 808	484 210			7 740 018	5 922 796
5 621 020	1 003 239			6 624 259	1 432 874
28 817 995	2 604 315		(67 481)	31 354 829	35 956 288
17 005 962	4 570 349			21 576 311	93 517 611
<b>104 495 614</b>	<b>14 220 156</b>	—	<b>(67 481)</b>	<b>118 648 289</b>	<b>257 403 343</b>



**APPENDIX B: ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2016 (continued)**

	Cost/ Revaluation					
	Opening Balance	Transfers	Additions	Under construction	Disposals	Closing Balance
<b>Housing</b>	91 143 5454	-	86 814 604	-		177 958 149
	<b>91 143 5454</b>	<b>-</b>	<b>86 814 604</b>	<b>-</b>	<b>-</b>	<b>177 958 149</b>
<b>Other Assets</b>						
Bins & Containers	7 762 008		-	-	-	7 762 008
Buildings	216 520 237		16 834 817	1 223 125	-	234 578 179
Emergency equipment	1 318 480		-	-	(227)	1 318 253
Furniture and fittings	14 429 698		1 621 545	-	(138 852)	15 912 391
Land Main Investments	69 849 075		-	-	-	69 849 075
Motor vehicles	148 006 187		11 273 898	-	(10 652 953)	148 627 132
Office equipment	48 683 023		2 593 730	-	(2 125 442)	49 151 312
Plant and equipment	112 848 548		30 441 156	-	(908 597)	142 381 107
Watercraft	352 552		-	-	-	352 552
	<b>619 769 808</b>	<b>—</b>	<b>62 765 146</b>	<b>1 223 125</b>	<b>(13 826 070)</b>	<b>669 932 009</b>
<b>Heritage Assets</b>						
Paintings & Art galleries	2 723 694		43 300			2 766 994
<b>Total</b>	<b>2 723 694</b>	<b>-</b>	<b>43 300</b>	<b>-</b>	<b>-</b>	<b>2 766 994</b>
<b>Total</b>	<b>11 712 289 338</b>	<b>(8 400 000)</b>	<b>186 669 514</b>	<b>203 521 650</b>	<b>(13 905 362)</b>	<b>12 080 175 140</b>

Accumulated Depreciation					
Opening Balance	Additions	Transfers	Disposals	Closing Balance	Carrying Value
7 158 367	1 766 382			10 508 118	167 450 030
<b>7 158 367</b>	<b>1 766 382</b>	<b>-</b>	<b>-</b>	<b>10 508 118</b>	<b>167 450 030</b>
3 210 424	792 445		-	4 002 869	3 759 139
100 527 217	10 342 019		-	110 869 237	123 708 943
414 850	126 528		(190)	541 188	777 065
7 145 226	1 573 976		(114 099)	8 605 104	7 307 287
29 347 827	1 928 950		-	31 276 777	38 572 298
75 647 141	17 783 207		(8 033 346)	85 397 003	63 230 130
22 736 022	7 632 269		(1 768 796)	28 599 495	20 551 816
37 180 806	14 014 943		(665 920)	50 529 829	91 851 278
226 058	40 802			266 860	85 692
<b>276 435 571</b>	<b>54 235 141</b>	<b>—</b>	<b>(10 582 350)</b>	<b>320 088 362</b>	<b>349 843 648</b>
-					2 766 994
-	-	-	-	-	<b>2 766 994</b>
<b>6 882 052 815</b>	<b>348 289 275</b>	<b>-</b>	<b>(10 649 831)</b>	<b>7 219 692 259</b>	<b>4 860 482 648</b>

# APPENDIX C: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016

2015 Actual Income	2015 Actual Expenditure	2015 Surplus/(Deficit)		2015 Actual Income	2015 Actual Expenditure	2015 Surplus/(Deficit)
R	R	R		R	R	R
1 142 955		84 355 425	Executive & Council	1 083 350	97 928 317	(96 844 967)
67 482 043		235 085 121	Corporate Services	33 824 185	271 727 146	(237 902 961)
397 874 559		101 842 509	Budget & Treasury Office	415 954 495	103 824 239	312 130 256
1 913 043		39 445 655	Planning & Development	2 660 759	42 303 830	(39 643 071)
6 404 682		26 349 848	Health	-	16 197 876	(16 197 876)
12 510 959		89 803 556	Community & Social Services	12 959 834	87 311 587	(74 351 752)
16 705 158		12 105 495	Housing	102 059 853	26 254 959	75 804 895
59 685 331		166 354 691	Public Safety	12 222 507	144 056 147	(131 833 640)
7 973 476		169 750 453	Sport & Recreation	11 259 531	175 584 553	(164 325 022)
102 626 685		102 818 937	Waste Management	114 476 108	100 430 077	14 046 031
253 891 322		192 929 391	Waste Water Management	204 891 054	213 227 983	(8 336 929)
12 194 937		263 676 064	Road Transport	11 959 837	265 988 402	(254 028 565)
427 133 013		531 859 980	Water	448 534 719	483 195 174	(34 660 455)
1 411 672 382		1 232 760 127	Electricity	1 392 407 707	1 186 840 662	205 567 045
556 905		703 439	Other	785 655	745 846	39 809
<b>2 779 767 450</b>		<b>3 249 840 691</b>	Sub-total	<b>2 765 079 595</b>	<b>3 215 616 797</b>	<b>(450 537 202)</b>
(43 486 553)		(662 768 546)	Less: inter-dep charges	(44 001 084)	(618 803 969)	574 802 886
<b>2 736 280 897</b>		<b>2 587 072 146</b>	<b>Total</b>	<b>2 721 078 511</b>	<b>2 596 812 827</b>	<b>124 265 683</b>

## APPENDIX D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grants	Name of Organ of State	Quarterly Receipts				Total 2015/2016 as per AFS	Quarterly Expenditure			
		Sept 2015	Dec 2015	Mar 2016	June 2016		Sept 2015	Dec 2015	Mar 2016	
Museum Subsidy	KZN - Dept of Education and Culture	—	166 000	—	—	166 000	459 836	1 195 048	1 445 757	
Primary Health Subsidy	KZN - Dept of Housing	254 976	252 155	173 414	360 056	1 040 600	80 615	348 300	123 748	
Esikhawini Hostel Refurbishment	KZN - Dept of Housing	1 188 680	1 022 360	763 000	855 080	3 829 120	2 519 980	2 751 658	2 543 731	
Housing Operational account	KZN - Dept of Housing	—	—	—	24 671	24 671	—	—	—	
	KZN - Dept of Housing	—			82 500 000	82 500 000				
Public Internet access - libraries	KZN - Dept of Library Services	—	1 020 000	—	—	1 020 000	191 882	192 911	426 494	
Library Subsidy	KZN - Dept of Library Services	—	6 289 000	500 000	—	6 789 00	4 195 251	4 912 090	3 995 295	
Sport and Recreation	KZN - Dept of Library Services	—	—	—	355 935	355 935	—	—	—	
Upgrade of Vulindlela Sports Facility	KZN - Dept of sport and recreation	—	—	—		—		—	—	
Greenest Municipality	KZN - Dept of Agriculture & Enviro	100 000				100 000				
Coastal Management	uThungulu District	—	—	200 000		200 000				
Urban Development Framework Plan	KZN - Dept of Co-Operative Governance and Traditional Affairs	—	—			—	—	—	—	
Municipal Excellence Award	KZN - Dept of Co-Operative Governance and Traditional Affairs	—	—				—	321 190	—	
Tourism Development	KZN - Dept of Co-Operative Governance and Traditional Affairs	—	—				—	72 300	—	
Tourism Development	KZN - Dept of Co-Operative Governance and Traditional Affairs	—	—					143 500		
New and Upgrading of Informal Trading Stalls	KZN - Dept of Co-Operative Governance and Traditional Affairs	—	—					687 437		

			Grants and Subsidies Delayed/Withheld					Reason for Delay/ Withholding of Funds	Compliance with grant conditions in terms of grant frameworks	Reason for Non-compliance
	June 2016	Total 2015/2016 as per AFS	Sept 2015	Dec 2015	Mar 2016	June 2016	Total		Yes/No	
	2 593 596	5 694 236	—	—	—	—	—	None	Yes	
	6 710 758	7 263 420	—	—	—	—	—	None	Yes	
	2 335 605	10 150 974	—	—	—	—	—	None	Yes	
	103 000	103 000	—	—	—	—	—	None	Yes	
	82 500 000	82 500 000	—	—	—	—	—	None	Yes	
	242 798	1 054 055						None	Yes	
	4 969 775	18 072 411	—	—	—	—	—	None	Yes	
	355 935	355 925	—	—	—	—	—	None	Yes	
	—	—	—	—	—	—	—	None	Yes	
	401 556	401 556	—	—	—	—	—	None	Yes	
	—	321 190	—	—	—	—	—	None	Yes	
	571 270	643 570	—	—	—	—	—	None	Yes	
		143 500								
		687 437	—	—	—	—	—	None	Yes	



## APPENDIX D: DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grants	Name of Organ of State	Quarterly Receipts				Total 2015/2016 as per AFS	Quarterly Expenditure			
		Sept 2015	Dec 2015	Mar 2016	June 2016		Sept 2015	Dec 2015	Mar 2016	
Water Services Operating Subsidy	Nat - Dept of Water Affairs	-	-	7 000 000	—	7 000 000	2 399 867	598 000	-	
Municipal Infrastructure Grant	National Treasury	29 000 000	26 000 000	38 154 000	—	93 154 000	32 736 453	25 462 453	31 469 453	
Financial Management Grant	National Treasury	1 600 000	-	-	—	1 600 000	257 056	221 882	3 04 308	
Municipal Systems Improvement Grant (MSIG)	National Treasury	930 000	-	-	—	930 000	28 850	9 714	-	
Equitable Share	National Treasury	92 802 000	76 642 000	57 481 000	—	229 925 000	—	—	—	
Extended Public Works Programme	National Treasury	1 184 000	-	1 777 000	—	2 961 000	22 715	169 347	597 698	
Infrastructure Skills Development Grant	National Treasury	2 250 000	-	5 250 000	—	7 500 000	1 205 259	1 149 513	1 012 937	
Energy Management	National Treasury	-	4 500 000	-	—	4 500 000	532 207	2 647 707	—	
Rural Household Infrastructure	National Treasury	12 721 000	25 440 000	12 721 000	—	50 882 000	2 272 411	3 882 333	1 346 285	
Electrification - Mandlazini, Mzingazi and Dumisani Makhaye Village	National Treasury	2 000 000	7 000 000	-	—	9 000 000	475 777	—	—	
Environmental Health Services	uThungulu District Municipality	-	-	-	—	—	-	—	—	

			Grants and Subsidies Delayed/Withheld					Reason for Delay/ Withholding of Funds	Compliance with grant conditions in terms of grant frameworks
	June 2016	Total 2015/2016 as per AFS	Sept 2015	Dec 2015	Mar 2016	June 2016	Total 2015/2016 as per AFS		Yes/No
	2 952 918	5 950 785	—	(1 257 477)	—	—	(1 257 477)	None	yes
	12 585 650	102 253 394	—	—	—	—	—	None	yes
	816 754	1 600 000	—	—	—	—	—	Grant unspent as at 2011/2012	yes
	890 436	930 000	—	—	—	—	—	None	yes
	—	—	—	—	—	—	—	None	yes
	2 165 46	2 955 227	—	—	—	—	—	None	yes
	4 027 866	7 395 576	—	—	—	—	—	None	yes
	1 320 086	4 500 000	—	(2 352 375)	—	—	(2 352 375)	None	yes
	34 036 952	41 537 981	—	(4 121 454)	—	—	(4 121 454)	None	yes
	472 635	948 412	948 412	—	—	—	—	None	yes
	—	—	—	—	—	—	—	None	yes



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